PN-ABP-952
84600

ECONOMIC REFORM IN AFRICA'S NEW ERA OF POLITICAL LIBERALIZATION

Proceedings of a Workshop for SPA Donors

Hosted by the U.S. Agency for International Development

USAID

April 14-15, 1993
Washington, D.C.

Acknowledgements

This workshop was organized by USAID's Bureau for Africa. Our appreciation is extended to the donors who helped plan this event and participated in it. We are grateful as well for the help of two members of the Implementing Policy Change Project of USAID's Bureau for Research and Development, Pat Isman and Jeanne North. This report was prepared with the assistance of Associates in Rural Development, Inc. (ARD) under Contract No. AFR-0542-Q-00-1109-00, with special thanks to Robert Charlick and John Rigby.

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EXECUTIVE SUMMARY

On April 14-15, 1993, representatives of 17 donors participating in the Special Program of Assistance for Africa met in Washington, D.C. to examine economic reform in Africa's new era of political liberalization. The workshop's objectives were for donors: 1) to gain a better understanding of the potential impact of political change on economic reform and on donor-financed programs that support economic reform; and 2) to explore potential implications of the changed context for the design and implementation of such programs.

Workshop participants found that political liberalization is a recent and widespread phenomenon in Africa. Since the end of the Cold War in 1989, nearly all sub-Saharan countries have experienced some significant degree of opening in media and associational life and many have made at least modest concessions to pressures to open up the political process. Roughly one-third of African states can now be classified as having gone through democratic transitions, although all but a handful must be considered at risk of reversals and instability.

These changes, predictably, complicate both the course and process of economic reform. As regimes become more responsive to political demands by a broader segment of their populations, they must consider both how the content of reform and the pace of reform impact on their bases of political support. At the same time, most newly democratizing regimes understand that they must attempt to continue the economic reform process as the only viable alternative both for the recovery of their economies and for the continuation or restoration of significant levels of multilateral and bilateral assistance. The problem of balancing newly empowered consumer interests with the potential longer term benefits of policy reform is compounded by the fact that, by-in-large, potential constituents for reform are poorly organized and have little propensity to see themselves as partners in a reform coalition. Mass-based issue-oriented politics is still highly problematic in Africa, and is largely superseded by concerns about the survival and well-being of smaller affinity groups and, among a few largely urban and educated groups, about the very survival of the state.

Donors have no choice but to work in this new environment. Preferences for identifying and working with relatively insulated technocratic agents of reform where political leaders manifest strong commitment to economic policy reform are mooted by political realities. Yet, these new realities offer significant promise of their own, both because the alternatives have produced such poor results, and because the new situation may offer the opportunity to improve governance. With few exceptions, authoritarian African regimes, unlike some of their Asian and Latin American counterparts, have proven very poor development partners. As these regimes have been challenged and have, in many cases, collapsed, it has generally become even more difficult to implement policy reform. But regimes which have democratized may be able to become better long-term development partners by reducing internal corruption, by improving the performance of civil services, by establishing greater adherence to rules of law governing commercial as well as other relationships, and engendering a process through which local "ownership" of reforms increases.

Although participants at the conference generally recognized that these changes are having, and will continue to have, a significant impact on economic policy reform programs, no consensus emerged as to how to respond to the new environment. Clearly, however, they acknowledged a need to exchange information and analysis about approaches dealing with these issues. Donors recognize the need to examine how they can be more transparent in their own dealings with liberalizing states, and how they can support them in developing transparency needed to move to higher levels of accountability both to donors and to their own public. They also generally acknowledge the need to explore and compare ways in which economic liberalization can be furthered, while dealing with the political issues confronting these regimes.

SYNTHESIS REPORT OF THE WORKSHOP FOR SPA DONORS ON ECONOMIC REFORM IN AFRICA'S NEW ERA OF POLITICAL LIBERALIZATION WASHINGTON, D.C., APRIL 14-15, 1993

I. BACKGROUND

I.1 The Special Program of Assistance (SPA)

The Special Program of Assistance for sub-Saharan African countries is a donor coordination mechanism established in 1988. The SPA provides a unique framework for mobilizing donor resources—both quick-disbursing financial aid and debt relief—to support economic policy reform in Africa's low-income, debt-distressed countries, and to improve the effectiveness of those resources.[1]

I.2 Origins of the Workshop

At the October 1992 SPA meeting in Brussels, the donor representatives took up the challenge of dealing simultaneously with economic and political reforms across large parts of Africa. They asked themselves what they might do to keep both sets of reforms and to make them mutually reinforcing.

A.I.D. thereupon offered to host a workshop, before the June 1993 regular SPA meeting, which would have the following overall objectives:

1) To gain a better understanding of the potential impact of political change on economic reform and on donor-financed programs that support economic reform; and
2) To explore potential implications of the changed context for the design and implementation of such programs.

As a result of general agreement among the SPA donors that these questions should be discussed more fully, A.I.D., in consultation with the other SPA donors, organized this workshop held in Washington on April 14 and 15, 1993.

The April meeting was specifically designed to promote maximum interaction and discussion on these issues among donor representatives. It gave them the opportunity to consult with qualified scholars from Europe, Africa, and North America, to share case materials and practical experience, and to exchange views on the implications of political change for donor programs.

[1] SPA's First Phase (SPA-1) ran from 1988-1990; the current, Second Phase (SPA-2) spans 1991-1993. A Third Phase (SPA-3) for 1994-1996 is now in the planning stage.

II. INTRODUCTION TO THE WORKSHOP

Summary of Opening Remarks by John F. Hicks, Acting Assistant Administrator for Africa

This workshop presents a fresh look at how to promote Africa's economic development. Changes occurring in Africa have been immense and must be understood by those who seek to work in partnership with Africa. Most countries in Africa have now jumped on the economic reform bandwagon, but deeper reforms are needed. The political reform process is more recent but no less remarkable. Since the process began in Benin in 1989, almost three-fourths of the countries of sub-Saharan Africa have moved to open up their political systems, providing more choice to their people and a new framework within which to pursue economic development. USAID feels that, in the long term, freedom of economic choice and of political choice will jointly support sustainable and equitable economic development in Africa.

Democratization poses enormous challenges and opportunities for the people of Africa, for their governments, and for the donor community. Democratization can make sustaining economic reforms more complicated. It can raise economic expectations. But it can also result in a broadening of African participation in the reform process, increased ownership of the policy changes, and improved implementation. The ideal scenario occurs when both economic and political liberalization stay on track. Donors should therefore be seeking ways to make them mutually reinforcing. That is a major question for those participating in development in Africa and for this workshop. It is no doubt important that donors examine the content of economic reform packages and learn better how to support African economic reform. But at least as important in an era of political liberalization will be the reform process. In particular, USAID hopes that the workshop will give rise to new insights concerning the process of identifying, designing and implementing economic reform programs.

III. SESSION I: Setting the Stage

III.1. OBJECTIVE: To establish that political changes are occurring and to begin to explore, in the African context, the relationship between political liberalization and economic reform.

III.2 PRESENTATIONS:

III.2.1 First Presenter: Michael Bratton, "Political Liberalization in Africa in the 1980s: Advances and Setbacks."

III.2.1.a Questions Addressed:

1. What are the current trends of change in governance in Africa, distinguishing for this purpose between political liberalization and democratization?

2. Have the changes gone far enough to alter significantly the settled patterns of governance?

3. Do the changes appear firmly rooted, or are they open to being reversed?

4. What is the relationship between these changes and the implementation of programs of economic reform?

III.2.1.b Argument:

1. Democratization and liberalization are distinguishable. **Liberalization** is a relaxation of controls on political activities of citizens, usually associated with permitting citizens civil and political rights that were formerly denied. **Democratization** is a process whereby new political institutions embodying significant opportunities for political participation and competition are set in place. A transition to democracy is said to occur when a competitive election open to all potential participants takes place that is judged to be free and fair, and whose results are accepted by all participants including the losers.

2. Not all African states are undergoing positive change. A number are now fragmented and embroiled in civil wars. Others are blocked by personalistic and intransigent regimes which refuse to accept significant change.

3. In general, however, there is no doubt that significant and often unprecedented political liberalization has taken place in Africa. Openings are particularly noteworthy in freedom of expression and association.

4. While political liberalization is a necessary pre-condition for democratization, it is not a sufficient condition. Many Africa states undergoing change do not seem to be headed toward full democracy.

5. Democratization, as indicated by the free election of African heads of state, is nonetheless remarkable. At least half of the 18 recent elections have met international tests for freedom, and in another three cases electoral processes have worked fairly well. Africa can now claim up to 14 functioning democracies (embracing 10 percent of its people) among its 52 countries.

6. As a region, Africa's political changes put it ahead of the trends in the Third World as a whole—despite the fact that the African changes are taking place in some of the poorest countries in the world. It is possible, however, that this relatively positive position may reflect Africa's late start toward political liberalization, placing it behind the curve of reversal that has overtaken other regions.

7. Reversals have already occurred in some African states that seemed to be undergoing liberalization and even democratization. The first African Haiti "cannot be far off", given the fragile nature of political changes, and the possibility that more may be reversed by military takeovers.

8. Overall trends in political transition in Africa are not yet clear. Observers should not rush to judgment about the prospects for democracy in Africa. The situation is mixed. The trends are still unfolding.

9. There are powerful reasons, however, for questioning how far democratization can go in what the author calls "infertile African soil."

a) First, Africa's low level of economic performance, coupled with the high level of economic expectation that will be stimulated by a more participatory politics, would prove unsettling to any democratic regime.

b) Second, African political culture has been largely shaped by "neopatrimonial" relationships, or personal networks of loyalty and clientage, that are not inclined toward democratic values or practices.

10. To the extent that international donors value democratization they should be aware how their programs, notably their economic policy reform programs, may impinge on that process.

a) Economic liberalization programs that increase economic inequality could thwart the consolidation of democracy.

b) Economic policy reform programs that require governments to increase the level of economic suffering for key groups could detract from the legitimacy of newly democratizing regimes.

III.2.2 Second Presenter: Dr Tessy Bakary, " 'An Ambiguous Adventure': Transitions from Authoritarian Rule and Economic Reform."

III.2.2.a Questions Addressed:

1. What views have leading African democratizers taken of the need for economic policy reform?

2. How have they viewed the way economic policy reform has been decided upon and implemented?

3. Have the struggles for recognition of political movements and electoral campaigns mobilized public opinion on economic policy issues?

4. How do newly installed African democratic regimes, or authoritarian regimes under pressure to liberalize, think they must respond to public opinion on economic policy?

5. Does the manner in which political liberalization has come to a given country account for differences in the actual pattern of governance, in the behavior of new state rulers in their use of public resources, or in patterns of relations between host governments and IFIs (International Financial Institutions)?

III.2.2.b Argument:

1. Political reform advocates in Africa tend to see democratization as a precondition for economic liberalization and sustained growth.

2. They are persuaded that the authoritarian, patrimonial state has been anti-developmental and cannot be otherwise. The failure of such regimes to achieve economic development is what has led to public demands for political liberalization.

3. There are two keys to the anti-developmental character of the authoritarian African state.

a) Since African societies are so poor, the best route to personal enrichment has been control of the state.

b) The costs of maintaining personal power through political distribution of state resources have risen exponentially.

4. The answer that many Africans now offer is "political change first"—that is, a shift toward democratic regimes.

5. It seems unlikely, on the other hand, that Africans can both reduce the resources available to the state for distribution and consolidate their newly democratizing political systems.

6. Any political change in Africa will ultimately raise the question, "who will control state resources, and for whose gain?"

7. The key to democratic consolidation and to its eventual economic success will be the breadth and staying power of "new social movements" capable of forcing an expansion of the old patronage game.

8. Democratic political change will not, however, end the struggle for control of the state and its resources, though it should limit its abuses.

9. In a number of cases what is happening now, with the "tailing off" of democratization,

is that old struggles are being played out with stakes that continue to be seen as critically high.

10. Still, if democratic regimes can improve governance by making it more effective, more transparent, and more legitimate, then over time this political change should contribute to economic development.

11. Whether or not democracy in the short run enhances economic performance or even political stability, African reformers generally believe that it should be valued for its own sake, as the best way of achieving human freedom.

III.3 DISCUSSION:

In the course of the open question period, and later in break-out groups, participants made the following points about the topics introduced by the two papers:

1. Significant political change has occurred in Africa, and these changes cannot be ignored.

2. The relationship between political regime and economic performance is not yet clear.

a) In Africa some authoritarian regimes have done well (as in the first ten years after independence), while others have not. Some authoritarian regimes have done well in other parts of the world as well.

b) If there is to be political liberalization, it will have to be made mutually reinforcing with economic reform. Economic performance will be critical to sustaining public support for democratic processes—as well, perhaps, as the other way around.

3. It is not certain, however, that as regimes liberalize politically they will necessarily liberalize economically.

4. Some participants suggested that since the relationships are so unclear, democracy should be valued as an end in itself, rather than mainly as a means to economic development. Others wanted to clarify why democracy should be good in its own right. Does it represent the best means to achieve other ends (such as human rights) which might themselves be associated with economic development?

5. There was considerable discussion about the consolidation of democracy following "free and fair elections." In particular, the character of civil society and of political culture were explored. How can a society consolidate democracy if it has a political culture of deference and economic dependence? How can Bakary's "social movements" emerge in such a culture?

6. The relationship between political liberalization and economic policy reform was also discussed as an issue of timing and sequencing. One view was that the two are not incompatible, and that newly democratic regimes might even be able to undertaken hard reform decisions in the "honeymoon" period. On the other hand, the payoff of these hard decisions could be too far in the future to help the regime deal with its political consolidation needs.

7. Donors must recognize the role that they have played in influencing economic policy directions in Africa, by virtue of their pronouncements and the weak bargaining power of African states. Without democratic engagement in support of these policies, regime commitments to them may be superficial.

8. Some participants wanted to distinguish the dimension of democratization which involves open political competition and choice from the issues of improved governance (more accountability, better rule of law, firmer institutions). Others saw this distinction as difficult to make. What would assure the survival of freedom without supporting structures? Some participants thought that, while democracy may bring no assurance of good governance, sustained good governance in Africa would be impossible without democratic accountability.

9. Anticipating the next session, several participants explored the issue of how political liberalization may influence specific aspects of an economic adjustment program, in terms of both process and substance.

a) Donors are already experiencing the need to work with different actors in implementing economic policy reform. Reform programs must have broad-based support and there must be greater host country "ownership" of the reform program if it is to have an impact.

b) Others thought that, from the experience of particular cases, political liberalization has thus far changed very little of substance.

10. The discussion of these matters showed the need to address each case in its own context rather than to attempt sweeping generalizations.

IV. SESSION II: The Reform Process

IV.1 OBJECTIVE: To explore how the changed political climate might affect economic reform programs, considering the implications for design and implementation in agenda setting, program design, and program implementation for both host countries and donors.

IV.2 Third Presenter: Dr. Nicolas van de Walle, "Political Liberalization and Economic Policy Reform in Africa"

IV.2.1 Questions Addressed:

1. How has political liberalization affected the agenda setting process?

2. How can liberalizing regimes and donors enhance the prospects for positive impacts of broadened participation in agenda setting?

3. Are certain types of economic policy reform likely to be under more popular political pressure than others? If so, what can donors and host governments do to deal with this pressure?

4. How has political liberalization affected economic policy design? Has it been positive, as van de Walle suggested, because greater public debate has subjected the design of policies to more careful scrutiny and criticism?

5. Has political liberalization had a mainly negative impact on implementation of economic policies?

6. Has the negative impact of political liberalization on the implementation of economic reforms been more severe in the CFA zone?

7. What role can "offsetting measures" (to compensate groups for short-term harm) play in the liberalization process?

IV.2.2 Argument:

1. The impact of political liberalization on economic reform is different in different phases of political transition.

2. This paper deals with the process of political liberalization and focuses on countries in which this phenomenon has gone far enough to consider that significant political reform has already taken place.

3. Once demands for political reform have begun to build up, and before the successful completion of any political reform process, the dynamics of change will provoke instability and begin to undermine economic policy reform. The longer the transition takes and the more violence it engenders, the higher the economic cost will be. When a transition successfully takes place these economic costs must be borne.

4. As the new regime begins to be consolidated, the following patterns are likely to be observed:

a) Political participation will rise, particularly through more formal channels of participation, such as political parties and nongovernmental organizations. The impact of this participation on policy, however, will be somewhat limited as the civil service also gains influence as an autonomous group.

b) The regime will become somewhat more transparent in its management of public affairs, depending on the strength of state institutions, and on the commitment of its government to reform.

c) Post-transition regimes will vary substantially in their commitments to economic reform. Many will be more favorable to it than the regimes they have replaced.

d) All reform coalitions, however, will agree on the need for reforming governance by reducing corruption and opening up information processes.

e) Some elements of the reform package may be more acceptable than others to the democratic coalition.

f) In general, groups viewed as hostile to economic policy reform, such as organized labor, will lack sufficient cohesion to constitute effective sources of opposition to adjustment.

5. Until now, structural adjustment has been carried out in a largely non-participatory manner, which has resulted in little public ownership of the program or government commitment to implementing it.

A typical way of carrying it out has been to insulate apolitical technocrats and give them the authority to negotiate and implement the adjustment program.

6. With political transition, more participatory processes of designing and implementing economic policy will be called for involving a broader sharing of information.

The impact is likely to be felt mainly in the timing and sequencing of reform programs. Pressure to reduce the insulation of technical policy-makers is also likely. Pressure for changes in content may also be expected as newly empowered groups seek to limit the negative impact of adjustment programs on their purchasing power.

7. The most significant problem for economic reform will remain the limited capacity of governments to set their own agenda and to manage implementation of reform programs.

8. Regimes which have undergone significant political liberalization are likely to increase their capacity to play a more important role in economic reform agenda setting, and both they and donors need to find ways to open up the process so that constructive debate about the nation's economic choices and tradeoffs becomes possible.

9. The result of greater public debate over **policy design** in liberalized systems will almost certainly be positive as designs are scrutinized more carefully. This should result in better targeted policies and more appropriate service provision.

Public debate is likely to focus on "project-based" policy reforms, with their impact on specific beneficiary groups, more than on "price-based" reforms. This will make it more difficult to design and implement project-based reforms.

10. **Policy implementation** is likely to become more difficult in liberalized regimes, particularly where devaluation is not an option (CFA zone) and where the civil service is a strong interest group. To deal with this, and retain their legitimacy, regimes will need to adopt compensatory measures to offset the harm to victims of specific adjustment policies.

11. Political liberalization has a number of implications for donors who seek to promote economic policy reform;

> a) In regimes which have undergone considerable political liberalization, donors will want to help strengthen state institutions, such as the legislature and the judiciary, and also help states maintain or strengthen their technical skills, organizational coherence and professional standards.
>
> b) Donors will need to find ways to respect the more democratic nature of economic decision making, without further diluting conditionality. A way to do this would be to redirect conditionality away from concern with specific economic targets and toward governance issues, such as corruption, the rule of law, and the sanctity of property rights.
>
> c) Finally, donors can help enhance the quality of public debate over economic policy, not only by building the state's economic planning and analytic capabilities, but by encouraging the growth of these capabilities in the non-state sector as well.

IV.3 COMMENTARIES

IV.3.1 Thomas M. Callaghy

1. Evidence from widely scattered cases indicates that the requisites of successful economic transformation are exceptionally demanding and include: (a) sustained governmental commitment; (b) technocratic as opposed to political decision making—or, alternatively, a strong societal support coalition; (c) considerable resources and market access; and (d) substantial state capability.

2. These requisites are difficult to achieve under democratic conditions, particularly since most states in Africa that undergo democratization will be weak.

3. There is some ambivalence on the part of van de Walle, who argues that African states must simultaneously tackle both economic and political reform, but also maintains that economic reform is likely to be supported only by regimes that have first achieved political reform. The phenomenon of political and then economic reform is quite rare in Africa. In addition, as van de Walle indicates, there is ample evidence that simultaneous reform is unworkable because political reform processes impede economic reform.

4. The most successful case of sustained economic policy reform in Africa has, in fact, taken place in a country (Ghana) where the sequence has been reversed (economic reform before political reform).

5. Rather than requiring substantial democratization as a quid pro quo for external assistance, donors should support any regime engaging in economic reform as long as it continues to do so.

6. Where political liberalization is well under way, donors should support professionally autonomous instruments of decision-making, such as effective central banks, and help them to retain some insulation and autonomy from political pressures.

7. There is almost no evidence that political liberalization will improve such problematic aspects of governance as corruption.

8. There is also little evidence that political liberalization will result in higher elite commitment to the specific things needed to sustain economic transformation and be supportive of IMF-World Bank types of economic policy reform.

9. External conditionality has proven to be a weak and blunt instrument for generating real learning about the need for economic policy reform. The only thing that has served to accelerate this learning in some cases is a sustained, deep, economic crisis, without external assistance.

10. State capacity is vital to market-driven reform, and neither sustained economic crisis, nor democratization, facilitates "building" state capabilities.

11. The idea that a positive relationship exists between political and economic liberalization is very much open to question.

12. As a result, donors must decide which goals they have for Africa --"fostering democracy, or ending its poverty, marginalization and dependence." If the latter goal is important, then support for political liberalization may be inappropriate.

IV.3.2 Joan Nelson

1. Stabilization and structural adjustment are essentially economic development strategies, not short-term packages, and must deal with a whole set of long-term issues.

2. Regimes that have undergone democratization have shown no greater capacity to deal with these issues than their predecessors. They still encounter the same constraints to economic reform.

3. These constraints include widespread public resistance to reform. Unless and until broad segments of the public come to understand that basic economic structural change is vital to their interests, little can change.

4. Democratizing governments may be able to push through relatively easily specific economic reforms such as price stabilization and trade liberalization, that can be managed by a small circle of insulated and usually technical state officials.

5. When regimes must deal with issues that require wider consultation, the adjustment process can be stalled.

IV.4 DISCUSSION:

1. Sequencing reform: A number of participants believed that the issue could no longer be usefully framed as economic reform <u>or</u> political reform. This was widely viewed as a mistake from the past. Participants also noted that since sequencing of economic and political reform is not in their hands, donors must recognize and be prepared to deal with the costs of striving for simultaneous reform. Other participants took the view that certain political and governance conditions must precede efforts to promote economic reform.

2. The advent of democratic regimes was seen by some as a "window of opportunity" which offered the best prospect for promoting economic reform. Reasons for this view included the idea that (a) public participation in governmental decision-making is necessary to the legitimacy of hard economic policy choices, and (b) political liberalization is needed to remove rent-seeking and patronage obstacles to selfless decision-making. The potential role of National Assemblies, and the need to improve the quality of debate in these institutions, were emphasized.

3. Since no universal rules can be stated, country cases must be carefully studied to assess what is best for long-term development in a given specific context.

4. What kinds of political reform will tend to make a positive difference for economic transformation?

a) Some participants expressed the view that minimum criteria for political reform or liberalization should be established to cover a range of cases.

b) Others thought it better to focus on specific reforms, such as how to improve the quality of public administration.

c) There was also concern that political liberalization might not improve specific aspects of governance such as the performance of the public administration, or corruption rooted in the patronage system.

5. A number of participants agreed that the process of economic policy reform would have to adapt to the new political environment. Specifically, there was some support for the notion of adapting the pace of economic reform, and its social dimensions, to the new political circumstances.

6. There was considerable discussion of van de Walle's notion of redirecting conditionality toward broader governance criteria, and away from specific economic targets. While some agreed with this approach, others thought it could be risky since donors have not fully agreed on definitions of good governance or on performance indicators.

a) There was concern that donors might not be able to agree sufficiently on indicators of good governance. It might be very difficult to come up with common measures across donors.

b) Participants raised a cautionary note about inflexible application of governance or political conditionality, as potentially reducing the options open to donors.

c) Donors might do well to adopt a positive orientation toward improving governance, helping encourage governmental transparency and the free flow of information, including the publication of budgets.

7. The issue of technocratic insulation was discussed, and the question was posed whether technocrats are really less insulated in liberalizing regimes than in most authoritarian regimes. Even if they are, most participants thought, this is not an argument for reverting to authoritarianism.

8. There was considerable discussion of the need to open up economic reform processes. The following points were made:

a) It may be easier to introduce economic reform in authoritarian systems because it is necessary to deal with only a small group of elites. But with the lack of broad support, such reform has difficulty enduring.

b) Donors have made it difficult to engage in broader consultations with potential stakeholders by the pressures and time constraints they have imposed.

c) More participation in economic policy design and implementation would tend to make those processes more legitimate and, over time, more fruitful. Public dialogue can even be useful in macro-economic policy development.

d) Dialogue involving a broad spectrum of society, including private sector business people, is critical in the design of reform programs.

e) The need to deal with the costs of adjustment becomes an even more pressing issue in a more open system.

f) Participation must involve not only the central government, but the civil society and the state as a whole. The National Long-Term Perspective Studies, and the National Environmental Action Plan process may be good examples of the need to link governmental and non-governmental institutions at various levels of society.

g) There is a need for greater donor transparency as well: more openness and more sharing about specific aims and expectations.

9. There was considerable concern about how to build a long-term environment conducive to better governance and economic performance.

a) One group identified the need to focus on the legal "enabling environment," with donors helping governments reform the rules needed to modify behavior.

b) Another group stressed the role of education and communication, including the desirability of supporting journalism and a free media.

V. SESSION III: The Politics of Economic Reform

V.1 OBJECTIVE: To assess the potential and strategies for generating coalitions to sustain economic policy change.

V.2 Fourth Presenter: Dr. Richard Sandbrook, "Political Liberalization and the Politics of Economic Reform"

V.2.1 Questions Addressed:

1. How can political liberalization be made a nonobstructive pathway to economic policy reform?

2. How can liberalizing regimes help potential beneficiaries of market-based reforms, including agricultural producers, become a coherent political force supporting change?

3. What are the roles that leadership plays in engendering economic reform, and how if at all can donors strengthen or support these roles?

4. Can political liberalization play a positive role in strengthening bureaucratic competence?

5. How can donors contribute to insulating technocrats from patronage relationships and obligations?

6. What societal coalition(s) can be generated to promote political change and economic policy reform?

What does the evidence from Africa tell us about the feasibility of constructing and holding together such coalitions?

7. What are the minimum conditions for sustainable implementation of an economic reform program, and how likely are these to be found and maintained in contemporary Africa?

V.2.2 Argument:

1. Political liberalization has occurred in Africa, but we should not overstate the extent to which it has altered African politics.

2. In general, democratization has transformed a number of political systems from ineffectual and repressive authoritarian regimes to weak and fragile democratic ones. The new regimes are still characterized by clientelism, factionalism, ethnic and regional loyalties, and administrative weaknesses. Political cohesion in these systems remains ambiguous and uncertain.

3. Weak democratic states arouse high and often unrealizable expectations for economic as well as political improvement.

4. Despite these limits, democratization constitutes what may be the most promising framework for African economic reform.

Authoritarian-developmental models, such as those of East Asia, are inapplicable to Africa's historical and structural conditions. African authoritarian regimes, even when they have experienced initial success, have decayed and became weak and predatory states.

5. But there still is no assurance that politically liberalizing African states can succeed in transforming their economies. There are multiple problems associated with economic policy reform, only some of which are subject to internal remedies.

Important problems not subject to internal governance are (i) world markets and prices, (ii) great power shifts in attention to specific areas such as the former states of the USSR, and (iii) the supply response of producers.

6. The most important problems that African regimes confront and that they may be able to influence involve implementation.

7. Successful implementation of economic policy reform depends upon (a) executive commitment, (b) executive control over a competent and responsive public administration, along with some insulation of the technical team from political pressures, and (c) mustering of sufficient political support to offset pressure of those adversely affected by economic liberalization.

8. Political liberalization is not likely to strengthen directly the leadership commitment to economic reform. Much of the discontent against the old regime stemmed from some groups' perception that they were suffering from adjustment programs. Potential beneficiaries of economic reform have been, and remain, too ambivalent or unorganized to offset this resistance..

a) Indirectly, however, popularly elected governments may become committed to economic reform as the best way to keep donors happy and to build, over time, a supportive constituency for change.

b) If leadership recognizes that the old "statist" approaches to managing the economy are a failure, it can begin to "own" the economic reform approach it is following—by shaping the sequence, pace, and mix of reform policies—and genuine commitment to continuing reform should result.

c) "Ownership" in this sense will depend in part on the style of negotiation the donors pursue. If there is flexibility and attentiveness and room for compromise, the political commitment should develop.

9. Building a strong, competent and disciplined administrative structure is essential not only for technical reasons, but to reduce the clientelist character of most African administrations. Political liberalization may not directly produce this result, but it should produce other benefits that are building blocks for progress in this area.

a) Opening up the political system will increase the chances that policy reflects the considered opinions of experts, and not just the whims of the dictator.

b) Realistically, however, electoral competition will create pressures for patronage, making it difficult to insulate the technocrats from politics. The trick will be to balance off political and economic imperatives, providing sufficient patronage in a competitive democratic framework to assure stability essential for economic growth, along with sufficient technical integrity to develop and implement reasonable reform programs.

10. Democratizing regimes will also find it difficult, though not impossible, to build a sufficient coalition for economic reform. Losers from such reform—e.g., monopolistic producers—will be focused and combative, whereas gainers—e.g., consumers—will be diffuse. A further problem is that in most African countries coalitions of general interest tend to be ethnic or regional in character rather than functional, by sector of the economy.

11. Regimes have a better chance of simultaneously managing political liberalization and economic reform if they can:

a) generate positive economic trends within two to three years;

b) obtain sufficient inflows of foreign resources to cushion the costs of adjustment for volatile and potentially important political interest groups; and

c) succeed in mobilizing potential beneficiaries.

12. Options a) and b) above are unlikely to be realized, although democratization may prove to be a significant inducement to foreign investors, both public and private.

13. Option c) may be achievable by introducing economic reforms gradually, so as to ease the pain of adjustment and to implement the full program over time. Alternatively, it may be realized by consciously deepening democracy through, for example, genuine devolution of authority to local governments. The author does not assess the prospects for success of this last approach.

V.3 COMMENTARIES

V.3.1 Dr. Bjorn Beckman

1. Beckman challenges much of the dominant "politics of economic reform" perspective.

2. This perspective sees political liberalization as threatening to economic reform in the short term, but is optimistic that in the long term a vigorous civil society and a pluralistic political process will emerge.

3. What is supposed to happen to national institutions and state structures, civil society

and democratic forces in the meantime?

a) There is a real possibility that the viability of states and their institutions, and the cohesion needed for democratic development, will be thwarted by the current, top-down and closed-door prescriptions for economic reform, and that these reforms will aggravate the crises in which the institutions already find themselves.

b) In fact, the societal groups the economic reformers wish to contain, bypass or neutralize are the very groups that have the greatest stake in national unity and identity, as well as in a democratic basis for national reconstruction.

V.3.2 Dr. Jonathan Moyo

1. Like Beckman, Moyo challenges major tenets of the "politics of economic reform" paradigm, notably that the only way forward for Africa is via market-oriented economic reform.

2. The three areas of hope that Sandbrook holds out for the compatibility between political liberalization and economic policy reform are, in Moyo's view, all illusions.

a) It is unrealistic to expect that a newly elected government will be able to produce a sufficient stream of economic benefits within two to three years.

b) The levels of required foreign capital inflow seem likewise unattainable.

c) Popular coalitions built around support for economic reform programs like those offered by the World Bank are impossible. Potential coalitions that do exist are all opposed to these programs.

3. Economic reform cannot precede democratization in Africa. The kind of determinism that says otherwise simply underemphasizes the role of social consciousness—that is, the interest of the populace in the liberalization of governance for its own, humanizing sake.

4. The real issue for Africa today is what democracy will mean in terms of group rights. There are no political communities in Africa today that identify themselves with the "nation," or which identify the issue of democracy in terms of individual rights.

5. In Africa today, the agenda of civil society is about the rights of groups and the possibility that democracy can help put into place a set of rules to govern societies that have multiple group identities and thus permit a broader community to function.

6. It is not clear that the donors themselves value democracy. What would happen, for example, if a freely elected government chose to oppose World Bank-type economic reform?

V.4. DISCUSSION:

Participants discussed these presentations primarily in a series of break-out groups focused around specific case studies, and then in a plenary session stimulated by reports from the break-out groups. In the course of these sessions participants made the following pertinent points:

1. Bringing about or sustaining economic policy reforms involve a number of factors other than political coalitions.

   a) The role of committed leadership is vital to provide an alternative vision of the future.

   b) The fear provoked by severe and sustained economic crisis can provide initial support for a leadership willing to offer an alternative vision.

2. The forces needed to sustain reform vary according to the type of reform undertaken.

Democratic regimes rapidly hit the point where public support is vital, if only to win the next election.

3. The importance and feasibility of building a pro-reform coalition in Africa may be overstated.

   a) Rawlings was able to sustain reform in Ghana without building a coalition per se. Instead, he pursued a number of programs and reforms simultaneously to make certain that large sections of society received some benefits from reform.

   b) Evidence from several cases suggests that coalitions are difficult to analyze and define in Africa where economic and other interests can be multiple and overlapping. Many groups are ambivalent on economic reform issues because of their mixed and economically diversified interests (such as the Mouride Brotherhood of Senegal). This straddling of identities weakens the development of a clear "issue-oriented position" on any particular policy.

   c) Coalitions do not depend on large aggregations of groups, but on groups that share specific interests threatened or affected by economic reform.

   d) It is often difficult to understand the dynamics of a given potential pro-reform coalition, such as rural export crop producers in Ghana, since ethnic and regional affiliations are intertwined with economic interests.

   e) Many groups that seem to share a common economic interest do not share political perspectives.

f) African democratizers do not run on clear issue-oriented programs. As in Zambia, campaigns by a single party offer different and conflicting promises to groups which cannot be reconciled by a single reform party.

g) Voter turnout is low, and rural voting is so poorly informed by policy issues, that democratic politicians do not focus on specific economic issues or programs when they seek power.

h) What the African cases like Zambia under UNIP teach about coalitions is mainly how support of important groups can be lost when you can not deliver benefits.

4. Once a democratic regime comes to power, however, it will have to try to build broad-based support.

a) The most important instrument for this will probably be "deepening democracy" to include rural and local-level people who may well be potential beneficiaries of economic reform in the long-run.

b) This must be viewed, however, as a long process. It may be very difficult to include local-level interests in coalitions whose views influence economic policy reform. At this level people may have only the vaguest idea about national issues or the stake they have in national policies.

c) In the short-run, democratizing regimes need to produce some successes, which will probably be impossible without significant in-flows of foreign assistance.

5. Coalition building involves education of people about the long-term aims of economic adjustment policies.

6. Donors do not have a comparative advantage in coalition building. This is a matter for domestic political leaders.

7. What donors can do is to examine how their adjustment programs help newly installed democratic regimes educate people and buy time for long-term processes to work, for example, by slowing the pace of economic policy reform in Zambia.

VI. SESSION IV: Policy Implications For Donors

VI.1 OBJECTIVE: To explore programmatic implications of political liberalization for donor-supported economic reform activities.

VI.2 Fifth Presenter: David Gordon and Carol Lancaster, "The Implications of Political Change in Africa for SPA Donors."

VI.2.1 Questions Addressed:

1. Are economic reforms easier or more difficult to implement in liberal political systems as compared to authoritarian systems?

2. Are there particular types of reforms involving both economic policies and governance that are easier or more difficult in democratic rather than authoritarian systems?

3. What has been the impact of political liberalization on key constituencies whose support or opposition to reforms can affect their implementation?

4. What kinds of political/governance reforms are most urgently needed?

5. How far does political reform need to go to be helpful for economic policy reform?

6. What have the limits of top-down economic conditionality been in Africa?

7. How can donors modify the economic reform process to take into account and support new trends in political liberalization in Africa?

8. What incentives can donors provide to African regimes to improve their governance?

VI.2.2 Argument:

1. In general, the evidence that there is any clear association between the type of regime and its success in economic policy reform is weak. In the short term, such as in the initial stages of political liberalization, and also in cases of prolonged political transition, the drive for political liberalization will be at odds with economic reform.

2. Regimes that have already undergone significant democratization, on the other hand, hold some promise for economic policy reform.

a) New democracies may be able to advance reform and improve governance because elections often bring to power new elites that can break down old clientelist networks.

b) Such regimes may have a better chance to carry out some kinds of policy reform, such as trade liberalization and the strengthening of financial institutions, that the old networks blocked.

3. What seems crucial to the effectiveness and durability of economic reform programs is not just the form of government, but the strength of the leadership commitment and of state capacity to design and implement those programs.

4. To appreciate what is needed along these fronts, it is necessary to look at a specific issue like civil service reform.

5. Reform of the civil service will be very difficult, but not impossible for a newly democratic regime to achieve (witness Benin).

6. Democratization by itself will not insure significant improvements in governance, but openings can be created through the strengthening of legislatures, judiciaries, the media and non-governmental associations. Donors should offer assistance for these purposes at the very beginning of democratically elected regimes.

7. The worst prospects for economic reform lie with liberalizing systems that have not yet democratized. Such systems cannot risk overturning the old patronage network.

8. The conclusion is that if you want economic reform in Africa, you may have to go all the way with political reform to establish democratic systems. This will not be easy given Africa's institutional setting, social structure, and political culture, but these are not permanent conditions.

9. While the old donor strategy for promoting economic policy reform, using the leverage of financial resources to reduce the role of the state and to build up the technocrats, has had some success, it has only worked for reform programs that were easy to monitor and administer.

10. This strategy has largely failed to produce results for reforms that are complex to implement. As a result, reforms have rarely been more than partial.

11. Confronting the new era of political liberalization, donors are in need of a new strategy. It should include:

> a) making the improvement of governance central to donor efforts, especially through the opening up of information channels within the country and between the donor and the host country;
>
> b) paying more attention to reform factors that bear on the building and sustaining of political bases, encouraging wider participation in the policy process, and (at least potentially) underwriting constituency compensation packages;
>
> c) expanded donor coordination, particularly between the bilaterals and the World Bank, on these issues;
>
> d) the development of agreed criteria for policy-based lending, including if practicable a minimum threshold of democratic or liberalizing progress;
>
> e) adopting as the threshold for fast-disbursing policy-based lending a democratic transition, marked by the holding of a free and fair election;
>
> f) the commitment to provide extraordinary support to democratic regimes which are willing to "strike while the iron is hot" and undertake major economic policy reforms; and

g) avoiding the over-commitment of resources which might constitute a disincentive for the regime to continue pursuing reforms by limiting extraordinary resource flows to a 3 to 4 year period.

VI.3 DISCUSSION:

Discussion of this paper among donor representatives took place in three stages: a brief, open, comment and question session after the paper was delivered; three small break-out groups; and a final plenary session. The principal points raised by participants were as follows:

1. There was considerable discussion of the relationship and sequencing of economic liberalization and political liberalization.

a) Some participants questioned the association.

b) Others accepted that the short-term association could be negative, and wondered whether donors are prepared to accept this fact in their economic reform programs.

c) Still others made the point that the two are intimately linked and that it was an error of the past to ignore the political setting for economic reform.

2. There was considerable agreement that donors need to develop a consistent framework for dealing with the linkage issues. Some noted that for practical and political reasons they must deal with both political and governance factors in setting their foreign assistance spending priorities.

3. A number of participants recognized that, in any event, their reform programs would now have to take political factors much more fully into consideration, including the impact of the adjustment program on nation-building.

4. Some donors felt that political liberalization and democratization are sufficiently important goals, either because of their linkage to long-term economic conditions, or in their own right, to warrant accepting the potentially negative short-term impact these political developments may have on economic reform. In particular, they argued that while economic conditionality should not be "softened," it would be appropriate to re-examine specific economic conditionality standards, such as:

a) the pace of economic reform in the context of political liberalization; and

b) the need to reduce social costs or to compensate for them.

5. There was considerable discussion about the value of political conditionality as a basis for quick-disbursing policy-based lending.

a) Some donors saw this connection as unnecessarily constraining. A particular concern was that it could result in stop-and-go allocations.

b) Others felt that it called for more intelligence and on-the-scene understanding than they could realistically hope to muster.

c) Some donors supported the idea of political conditionality, but were concerned about getting agreement on indicators and coordinating assessments.

d) Several participants offered the view that external governance conditionality may be the best way of supporting domestic political reformers.

e) At least one participant felt that there was a contradiction between political conditionality and broadening participation and ownership in the reform process—the latter implying a shift of responsibility to donor governments.

f) Another argued that political conditionality was unjust because it would operate best with small and poor countries (Benin) rather than with larger and more important economies (Egypt).

g) There was somewhat more agreement about using gross human rights abuses as a threshold for conditionality.

h) Some participants accepted that political and governance reforms were important, but argued that donors could be more effective offering positive incentives for political reform, particularly in areas like the free media.

6. The issue of a "threshold" approach to setting conditions was also discussed.

a) Some participants preferred to base their judgments on trends rather than on fixed thresholds.

b) Others questioned whether sufficient agreement could be developed on threshold indicators.

7. There was also discussion of developing broader governance criteria although no effort was made to define these criteria at this workshop.

8. A number of participants thought that strengthening governance should be a focal point of their assistance to liberalizing states. Specifically, they argued for supporting civil service reforms, strengthening the rule of law and judiciaries, and promoting greater accountability and transparency in such areas of public expenditures and procurement.

9. Many participants spoke of the need for more collaborative design and implementation processes for policy reform.

a) Some saw this as an alternative to conditionality.

b) For many the issue hinged around increasing "ownership" in the reform process.

c) For others, collaborative design and implementation could improve the economic reform process substantively.

d) The idea of broadening participation in the economic policy debate raised the question of who should be involved. Some argued that in addition to newly empowered national political actors, such as legislators, local governmental authorities and non-governmental associations would have to be involved.

e) Some argued that broadened participation could not only improve "ownership" -- commitment to carry out a program -- but could improve implementation and accountability as well.

10. There was considerable discussion of how these issues might involve the SPA in the future.

a) There was widespread agreement that many of the issues broached in this workshop needed to be discussed further both within the SPA and outside it.

b) A number of donors expressed the view that there should be a working group constituted within the SPA to further deal with at least some of these issues.

Other donors, while open to this possibility had significant questions about what its scope and purpose would be.

c) Some participants made a distinction between issues that they felt could be treated within the SPA and those which should be treated outside, primarily by bilateral donors.

i. One such distinction involved political liberalization issues which were clearly linked to economic reform, versus those only marginally linked;

ii. Another view was that only issues on which substantial agreement could easily be reached should be dealt with by the SPA, while more controversial issues should be omitted;

iii. A third view was that the SPA should be regarded as a forum for coordinating how donors conduct economic policy reform (<u>process</u>), but should not get into areas of <u>content</u> such as the link to political issues.

iv. Still another view expressed by participants was that the SPA should provide a forum where donors members could explore the range of these issues, including the potentially controversial ones, and decide at that level how they would then proceed.

d) An alternative view, expressed by a number of participants was that the distinction "inside the SPA," or "outside the SPA" was artificial, and that in the current era both the donor group and individual donors would have to grapple with these issues.

e) The participants in the workshop recommended that A.I.D. prepare a paper in preparation for the June SPA meeting, summarizing the areas of agreement and disagreement on these issues.

VII. WRAP-UP

VII.1 Richard Cobb, Deputy Assistant Administrator for Africa, A.I.D.

Six major themes have emerged from these discussions. They are all issues for the donors, although not necessarily for the SPA.

1. Political liberalization is occurring in Africa, and this is affecting economic policy reform. The goal in both processes is to expand participation and empowerment.

    Implications: Donors have to move beyond dealing narrowly with economic issues. Political change is proving to be just as important as economic change. We must find better ways to appreciate and assess what is going on in both dimensions, and how they relate to each other.

2. Overall, the preferred or achievable sequence of these two processes is unclear. Their temporal relationship will depend on specific country situations.

    Implications: Donors have a lot more work to do on the empirical side. As we develop our understanding, we should encourage an open sharing of analysis and data.

3. Consultative and consensus building processes at all levels are vitally important to sustaining political and economic liberalization; they are what will allow political legitimacy and "ownership" of economic change to grow.

    Implications: Internal coalition building is a role for Africans, not for the donors. But the donors need to understand the process of coalition building and maintenance better so that they can be aware of how their programs impact this process. Donors need also to be prepared to expand the public debate over economic reform and political empowerment, to include not only new actors in national politics such as national assemblies, the press, unions, and farmer associations, but also local governments and non-governmental groups.

4. Focusing on key elements of effective governance emerges as a potential framework for engaging issues of political liberalization and democratization with African colleagues.

Implications: Donors must come to better agreement about what we mean by these concepts, and what specific expectations we have. We must also exert ourselves to develop workable criteria for change in this area. Unlike the area of economic policy reform in which a single institution (the World Bank) has taken a lead role in setting criteria and standards, in the field of governance no single donor can assume this role. What is needed is a group of donors who will jointly take the lead.

5. Economic reform in Africa cannot be achieved without competent and effective African state institutions.

Implications: Donors must give higher priority to African capacity building, not only at the level of national government, but in regional and local institutions which must help design and implement reform programs.

6. Certain conditions that have seemed vital to the sustaining of economic policy reform will become harder to achieve as political liberalization and democratization proceed. Tradeoffs will have to be considered between technocratic insulation and the need to create and maintain political support for reform programs.

Implications: Donors can help assure that the technical capacity exists, and they can provide advice and support to technical groups; but they must also expect some patronage to function, and must look for ways that their programs can help develop the political stability and societal cohesiveness needed to sustain economic change.

USAID-HOSTED WORKSHOP ON

ECONOMIC REFORM IN AFRICA'S NEW ERA OF POLITICAL LIBERALIZATION

DATE: April 14 and 15, 1993

PLACE: The Carnegie Endowment for International Peace Conference Center, 2400 N Street, N.W., Washington, D.C.

AGENDA

Session I - Wednesday, April 14, AM

8:30-9:00 Registration

9:00-9:30 Opening:
Host: John F. Hicks, Assistant Administrator (Acting)
Africa Bureau, USAID

Conference Coordinator:
Andrew Sisson, Senior Economic Advisor
Office of Development Planning Africa Bureau, USAID

9:30-11:00 Plenary: A Stage Setting Session-- African Political Transitions and the African Context for Economic Reform

Moderator: Myron Golden, Director
Office of Coastal and Central West African Affairs
Africa Bureau, USAID

Papers:
Dr. Michael Bratton (US): "Political Liberalization In Africa In the 1990s: Advances and Setbacks"

Dr. Tessy Bakary (Côte d'Ivoire), contemporary African context of political reform

Questions, discussion in plenary

11:00-11:30 Recess

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11:30-12:30	Break-out groups for SPA donor representatives Discussion group for observers
12:30-2:00	Lunch for all representatives and observers (served at Conference Center)

Session II - Wednesday, April 14, PM

2:00-3:15	Plenary: The Reform Process-- Agenda Setting, Program Design and Implementation in a changed political climate Moderator: Judith Gilmore, Director (Acting) Office of Sahel West Africa Affairs, Africa Bureau, USAID Paper: Dr. Nicolas van de Walle (Belgium): "Political Liberalization and Economic Policy Reform In Africa" Discussants: Dr. Joan Nelson (US) Dr. Joseph Yao Yao (Côte d'Ivoire) Dr. Thomas Callaghy (US)
3:15-4:30	Break-out groups for SPA donor representatives Discussion group for observers
4:30-5:30	Plenary: Wrap-up, oral reports

Session III - Thursday, April 15, AM

9:00-9:15	Plenary: Open, Welcome Conference Coordinator: Andrew Sisson, USAID
9:15-10:45	Plenary: The Politics of Economic Reform Moderator: Margaret Bonner, Director Office of Development Planning, Africa Bureau, USAID Paper: Dr. Richard Sandbrook (Canada): "Political Liberalization and the Politics of Economic Reform"

	Discussants: Dr. Jonathan Moyo (Zimbabwe) Dr. Bjorn Beckman (Sweden)
10:45-11:00	Recess
11:00-12:15	Break-out groups for SPA donor representatives (begun with discussion of specific cases)
	Resource persons: Dr. Samba Ka (Senegal, on Senegal) Dr. John Toye (UK, on Ghana) Dr. Tor Skalnes (Norway, on Zambia) Dr. Joseph Yao Yao (Côte d'Ivoire, on Côte d'Ivoire)
	Discussion group for observers
12:15-1:00	Plenary: Wrap-up, oral reports
	(End of General Meeting)
1:00-2:00	**Lunch for SPA donor representatives only** (served at Conference Center)

Session IV - April 15, PM
(for SPA donor representatives only)

2:00-3:00	Plenary: Programmatic implications of political liberalization for donor-supported economic reform activities
	Moderator: Richard Cobb, Deputy Assistant Administrator Africa Bureau, USAID
	Paper: Dr. Carol Lancaster (US) and Dr. David Gordon (US), implications for donors of impact of political change on reform process, reform content, and governance issues.
3:00-4:00	Break-out groups for SPA donor representatives
4:00-5:30	Plenary: Wrap-Up
	Close: Richard Cobb, USAID

OPENING STATEMENT

JOHN F. HICKS
Assistant Administrator (Acting)
Africa Bureau, USAID
April 14, 1993

I. Welcome

I would like to welcome you to our workshop on Economic Reform in Africa's New Era of Political Liberalization. Thank you for coming. Many of you have travelled great distances, and all of you have taken much time and effort to join us. We appreciate this greatly, and we hope that you find this workshop worthwhile. This turnout is indicative of a strong commitment to donor coordination--which must continue and intensify in the future if we are to maximize the development impact of our limited--and in some cases declining--ODA resources. At every opportunity, I think we should reconfirm our commitment to the SPA process and donor coordination generally, constantly exploring new modes of cooperation.

As you all well know, this is an exciting time of change here in Washington. Not only have we just left behind an unusually cold winter, with springtime beginning, but we have also changed Administrations. Politically, a major transition is underway. The Clinton Administration campaigned and won the presidential election on a platform based on a commitment to change. We don't know what all of the changes will be, nor all of the ramifications. However, we do know that economic reform is at the top of the agenda and our leadership is taking a fresh look at how our government does business, including the rationale for foreign assistance in the aftermath of the cold war. Obviously economic assistance to Africa features prominently in this process.

II. New Era In Africa - Implications

The best reason for taking a fresh look at how we promote Africa's economic development is because the continent itself is changing. The people of Africa have chosen the difficult path of reform and made many painful choices. The resulting changes have been immense and must be understood by those who seek to work in a partnership with Africa.

Starting in the early 1980's, African governments began reforming their economies. By now, most countries have jumped on the bandwagon. Looking back, we can observe that the changes have been impressive. The process of economic reform is still underway and frankly, deeper reforms are needed.

Although the political reform process in Africa is a more recent phenomenon, the liberalization initiated by the African people and occurring throughout the continent is no less remarkable than reforms in the economic arena. Since the process began in Benin in 1989, almost three-fourths of the countries in sub-Saharan Africa have moved to open up their political systems, providing more choice to their people and a new framework within which to pursue economic development.

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Some believe that strong coordinated support for both economic reform and political reform is vital. We value freedom of economic choice and freedom of political choice individually, as objectives in their own right. We also feel that, in the long term, freedom of economic choice and political choice jointly support sustainable and equitable economic development in Africa. Achieving this symbiosis is one of the most profound challenges we and our African partners face.

Democratization poses enormous challenges and opportunities for the people of Africa, for their governments, and for ourselves, the donor community. The process of democratization can make adopting and sustaining economic reforms more complicated and difficult, leading to delays or setbacks. For example, the parliament of Benin, a new and important actor in the policy making process, has become involved with our dialogue with government in the education sector. This has made agreement on reforms there slower to achieve. A hoped for benefit, however, is the broadening of African participation in the reform process, which could increase ownership of the policy changes and strengthen and sustain their implementation. Moreover, there have been cases where it seems that democratization has spurred economic reform -- witness the heartening experience in Zambia.

We must keep in mind that political liberalization can also raise economic expectations. The case of Russia and the Newly Independent states shows that improving standards of living is critical to ensuring successful political transition. Insufficient progress in economic reform may threaten political liberalization.

Consequently, the ideal scenario is when both economic and political liberalization stay on track. Therefore, shouldn't we be seeking ways to make them mutually reinforcing? That is a major question for those participating in development in Africa and for the next two days at our workshop.

III. Purpose of the Workshop

Let me elaborate a bit on the purpose of the workshop. We should seek to gain a better understanding of the potential impact of political change on economic reform, and explore the implications of the changed political context for the design and implementation of economic reform programs.

We hope that this workshop will give us new insights concerning the process of identifying, designing and implementing economic reform programs, involving a broader set of actors than often was the case in the past. I think we all agree that examining the content of economic reform packages is essential for learning how we as donors can better support reform in Africa. But I also believe that looking at the process of economic reform is crucial, and all the more so in this new era of political liberalization.

Hopefully, what we learn here will benefit our work at the SPA, GCA and the other fora, and most importantly, our work directly in Africa.

IV. Free Exchange of Ideas

Around this table there is a tremendous amount of wisdom concerning Africa, and I am certain that there is much we can learn from each other. If there is one special request that I would like to make of all of us, it is that we try to put aside our official positions and speak freely. There will be no attribution for the record. In this way, I think we can have a more lively and informative discussion, and we look forward to a rewarding workshop. Again, welcome and thank you for coming.

For Session I
April 14, 1993
9:00 AM

POLITICAL LIBERALIZATION IN AFRICA IN THE 1990s: Advances and Setbacks

by Michael Bratton
Department of Political Science
Michigan State University[1]

Introduction

The end of the Cold War and the demise of communism have released a global ferment of political change. The dissolution of bipolar power blocs has undercut international support for authoritarian regimes in the Second and Third Worlds and exposed them to pent-up political demands from their own deprived and repressed populations. Since the fall of the Berlin Wall in November 1989, incumbent leaders in every African country have faced domestic political protests that have fundamentally challenged the legitimacy of existing single-party and military regimes. In many of these places, leaders have had little choice but to respond with political reforms, thereby stirring up motions in African political affairs unprecedented since the independence era a generation ago.

Whether the current round of political change necessarily amounts to democratization, however, remains an open question. Earlier euphoric predictions that the world -- and Africa -- stood on the brink of a global democratic revolution must be tempered with reality. Although political liberties are now available to larger numbers of people than at any previous time in history, the sudden collapse of authoritarian regimes has unleashed forces that can undermine the consolidation of democracy. The past three years have seen a revival of religious fundamentalism, renewed nationalism, and the outbreak of brutal civil wars. Nor is it yet clear whether citizens value liberty highly enough to defend democratic institutions against a reactionary backlash. Instead, they appear to be preoccupied with a struggle for economic well-being that simply cannot be satisfied in the context of stagnant economies. This panoply of problems raises doubts about whether democratic political systems can deal with the complexities of a postimperial world.

The present paper assesses trends in political reform in Africa for the period November 1989 to April 1993. It attempts to answer several questions: Are African political regimes becoming freer? Do signs of liberalization amount to a transition to democracy? Can fragile democracies be consolidated under conditions of economic decline and adjustment? While it would be nice to be definitive, the answers unavoidably must be qualified to reflect a mixed empirical situation: while some African countries have registered political gains, others have encountered setbacks. The overall findings of the paper are as follows. First, almost all African countries have experienced gains in political liberalization. Second, the process of democratization in Africa, after a rapid start in 1991, slowed down in 1992, raising serious questions about the future of democracy on the continent. Finally, prospects for the consolidation of liberal and democratic regimes depend critically on ongoing changes at the realms of economy and culture.

Political Liberalization versus Democratization

There is much debate among political scientists about whether the impulse for political reform in authoritarian regimes amounts to true "democratization" or mere "liberalization". These processes of political change are simultaneous, complementary, but ultimately autonomous.

Political liberalization refers to the relaxation of government controls on the political activities of citizens. As an analogue of economic liberalization, political liberalization reduces government intervention in the political market, breaks up public monopolies of political authority, and allows greater pluralism of opinions and association. A political opening usually occurs when authorities grant previously denied civil and political liberties to individuals and groups in society. For example, a presidential decision to release political prisoners is an act of political liberalization, as is a national assembly vote to eliminate a constitutional provision permitting the existence of only one political party.

Democratization is a more demanding process which involves the deliberate construction of new political institutions and a supportive political culture. To contribute to democratization, political institutions must embody enhanced opportunities for political participation and competition. The most minimal condition for democratic transition is the implementation of a free and fair election. But revisions to other rules of the political game are also essential if democracy is to be consolidated: the revival of legislative institutions to check executive powers, the establishment of genuine independence for the judicial branch, and the institutionalization of civilian control over the military.

A regime may undergo political liberalization without democratization. For example, a calculating autocrat may make minor concessions to allow political activity by his opponents, not so much as a prelude to reforming institutions, but in order to deflect criticism and remain in power. In perverse cases, a disintegrating authoritarian regime may give way to intensified corruption, military intervention or anarchy, rather than to democracy. Similarly, the process of democratization can be terminated before democratic institutions are fully consolidated. Democracy is not constituted in a single opportunity to vote, but by the fulfillment of guarantees of regular elections and by procedures for citizen involvement between elections.

In other words, liberalization and democratization, once set in motion, do not always unfold towards determinate positive outcomes. These processes can stall or be reversed. Moreover, while liberalization can occur without democratization, the opposite does not hold. Democratization is theoretically and practically impossible without liberalization because democratic institutions can only flourish within a matrix of civil liberties. One cannot have a powerful independent legislature, for example, without guarantees of freedom of speech. Because liberalization comes first, it may be all that is possible to achieve in many real world situations.

Measuring Political Freedom

In order to assess trends in liberalization and democratization, we must first ask: "compared to what?". What is the appropriate baseline against which to measure a country's performance at guaranteeing political freedoms? Several standards are possible: an absolute standard, for example a universal model of democratic rig[illegible] an empirical standard, which actually prevails in other countries in the region or world; o[illegible] [illegible]lf-anchoring standard, which is derived from the country's own past performance. Obvio[illegible] [illegible]ny judgment about whether progress is being made will be colored by the standard chosen.

This paper takes a pragmatic approach. The analysis begins by tracking progress in liberalization and democratization against each country's initial regime conditions. At a minimum, this approach provides a common-sensical assessment of whether a regime is opening up politically, regardless of how open it was to begin with. Later, the analysis is placed in comparative context. The trajectories of African countries on liberalization and democratization are compared with one another and with the performance of regimes in other parts of the world.

Comparative analysis requires standardized measures. Unfortunately, we do not currently possess conventional indicators for political development as we do for economic development (e.g. GNP per capita, GDP growth rate, percent of GDP in manufacturing) or social development (life expectancy, literacy rate, percent of population with access to safe water). Even though the United Nations Development Program now recognizes that political freedom is "a vital component of human development" (UNDP, 1992, 26), it has backed off from an experimental effort to construct a "political freedom index" claiming the need for further research on sources, quantification and weighing of data (ibid. 32)[2].

More boldly (rashly?), this paper applies an existing index. The annual Comparative Survey of Freedom by Freedom House, a private research institute[3], monitors civil liberties and political rights for all countries and territories in the world. Expert reviewers systematically assign scores for a country's compliance with standard lists of civil liberties (13 items) and political rights (9 items). The Survey summarizes the quality of different regimes on a seven-point scale, with 1 representing the "most free" and 7 the "least free"[4].

Despite efforts at objectivity, the methodology of the Survey is not beyond reproach[5]. In the past, Freedom House displayed a Cold war bias which favored Western liberal democracies and their allies against the former Soviet bloc. In Africa, this bias played itself out in the inclusion in the Survey of South African homelands as independent countries and in overt partisanship for the UNITA guerrilla movement in Angola[6].

The Survey is nonetheless serviceable for broad comparative assessments of trends in liberalization and democratization. The post Cold-War spread of liberal democratic values at least partly defuses the criticism that it represents only one narrow world view. And in practical terms, the Survey provides the best coverage of any data set on democratic rights currently available[7]. The data are derived in a reasonably systematic manner, presented in quantitative form, and are complete, both cross-sectionally (for 186 countries) and over time (from 1973 to the present).

Most importantly, the concepts of liberalization and democratization used in this paper accord closely to the Survey's operational definitions. What I mean by liberalization is well captured by the Survey's index of civil liberties, which include protection from torture, media independence, and freedom of association and assembly. What I mean by democratization is fairly represented by the Survey's index of political rights, which include open elections for the chief authority and legislative representatives, fair electoral laws, political party competition, and civilian control of the military.

Data on trends in civil liberties (a.k.a. liberalization) and political rights (a.k.a. democratization) for 52 African countries are presented in Table 1.

Trends in Political Liberalization

Politically, there have been unprecedented openings in African regimes over the past four years. Between 1988 and 1992, African citizens obtained significant and consistent gains in their ability to exercise basic civil rights. In 1988, 36 out of 52 African countries fell into the "least free" category of performance at protecting civil liberties on the Freedom House scale[8]; by 1992 this number had been reduced by two-thirds to just 12 countries (see Table 1, Summary). In the interim, as measured against their own previous records, an overwhelming majority of African governments -- 37 in number -- made discernible gains in observing and guaranteeing civil liberties.

The largest improvements on this dimension were made by a group of countries which started from a very low base of rights observance and which often abandoned an ideological commitment to Marxism-Leninism (Benin, Cape Verde, Comoros, Congo, Ethiopia, Mali, and Mozambique[9]). In these countries, the national constitutions were rewritten to include individual rights for the first time. In the other liberalizing countries, governments simply took administrative steps to relax emergency regulations or to place real powers of enforcement behind existing rights guarantees.

Only six African governments slipped backward on aggregate civil liberties performance between 1988 and 1992 (Egypt, Liberia, Libya, Sierra Leone, Sudan, and Uganda[10]). For example, the military of Sierra Leone overthrew President Joseph Momoh, dissolved the parliament, and suspended the 1991 democratic constitution. In Sudan, an Islamic government intensified its campaign to impose <u>shari'a</u> law on religious minorities and embarked on a forced resettlement program that destroyed nearly half a million homes in the country's southern region (Africa Watch, 1992, 2).

In order to disaggregate the broad concept of political liberalization, information is presented below on selected core liberties. These include personal security, freedom of expression, and freedom of association. Taken together, improved respect for these rights can create new opportunities for individual and group activity in politics.

<u>Personal Security</u>

The most basic human rights concern the inviolability of the person and require that individuals be protected from arbitrary arrest, detention, torture, extra-judicial execution, and "disappearance".

Starting from a very low base, trends in personal security have been generally positive in African countries since the turn of the decade. The South African government's decision to release Nelson Mandela in February 1990 and Namibia's independence in March 1990 under a liberal constitution were critical and influential events. Especially in the southern subcontinent, African governments responded by lifting emergency regulations which empowered the executive branch and security forces to detain political prisoners without trial. For example, President Robert Mugabe in Zimbabwe annulled a state of emergency and released all political prisoners in July 1990. And, while Kenneth Kaunda did not revoke the state of emergency during Zambia's 1991 election campaign, he did announce a general amnesty for political prisoners. Released prisoners of conscience also reentered political life in Benin, Congo and Zaire, among other countries.

African leaders who initially responded antagonistically to demands for plural politics by arresting opponents were later forced back down. President Daniel arap Moi of Kenya revoked the detention order on multiparty advocate Kenneth Matiba who went on to be Moi's main rival at the polls. Even President Hastings Banda of Malawi found it expedient to release long-time detainee Vera Chirwa after the death of her husband in custody in October 1991. And, while the Nigerian government has regularly harassed journalists, printers and human rights activists for "subversion", most have been released after brief detention[11].

There are also signs that African governments, however reluctantly, are officially acknowledging the universal validity of human rights norms. The African Charter of Human and Peoples Rights became effective in 1990 after ratification by over forty states and the Charter's Commission in Banjul submitted its maiden report to the OAU concerning human rights violations in the Sudan. For the first time, official government offices or commissions for human rights have been set up over the past three years in Algeria, Burundi, Gabon, Gambia, Mali, Mauritania, Rwanda and Tunisia (UNDP, 1992, 26).

To be sure, these positive development have not eliminated persistent abuses. In Chad, three hundred political prisoners were summarily executed shortly before the government of President Hissein Habre was overthrown in December 1990 (Amnesty International, 1991, 59). The Ugandan army has been condemned for "arbitrarily arresting, torturing, and even killing civilians" in northern and eastern war zones and jailing non-violent opponents on treason charges (Amnesty, 1992b, 1). After cosmetic promises of liberalization, the government of Equatorial Guinea reneged on a guarantee of amnesty by arresting opponents who returned from exile in Spain and France. And despite breakthroughs in Malawi, the country's leading opposition figure Chakufwa Chihana was sentenced to two years in prison for sedition in December 1992[12].

Within this mixed record, however, there have been more advances than setbacks in terms of personal security for Africans in recent years. African governments now find it harder to hide abuses of personal freedom from each other, from their own populations, and from the outside world.

Freedom of Expression

African journalists have been a driving force for liberalization, starting literally scores of newspapers and newsmagazines across the continent. Almost all speak with critical voices. Political opinions that government censors previously banned as "dissident" or "subversive" have entered mainstream discourse. Even within government-owned media, journalists and consumers have sought the expression of alternative viewpoints as a counterweight to discredited official propaganda. For example, in an interesting case of liberalization without democratization, Tanzania has seen the introduction of almost half a dozen lively weekly newsmagazines in Swahili and English, all bemoaning the government's slow march to multiparty elections in 1995[13].

The international spread of new communications technologies, notably fax and satellite TV, has helped promote freedom of expression. Authoritarian governments find difficulty in controlling these decentralized technologies and in preventing the dissemination of international news, information, and political values within their borders. Especially in politically volatile urban areas, African citizens obtain information from Cable News Network, Agence France Press, and the British Broadcasting Corporation, sources which they say they trust more than government-owned media outlets. In West Africa, the proceedings of the national conference in Benin were broadcast into neighboring Togo and Niger, perhaps emboldening pro-democracy forces there. And the fledgling opposition movement in Malawi has been organized partly through fax messages from exiled leaders in Zambia.

Freedom House now judges six African countries to have a "free press", two of which (Cape Verde and Zambia) joined these ranks in 1992. In the same year alone, the media of twelve African countries rose to the "partly free" group (Sussman, 1993, 67). In a major victory for Africa's independent press, the 1991 Windhoek Declaration committed UNESCO to move away from supporting state-run news institutions in favor of a plurality of non-governmental media initiatives.

Major constraints nonetheless remain. Even though governments no longer monopolize all news outlets they have other means of exercising control over information, for example through monopoly ownership of printing presses and by regulating the import and distribution of printing supplies. The electronic media have always been more tightly controlled than the print press in Africa, and radio and TV remain strong redoubts of official opinion. Radio is the key communications medium in a rural continent, but only a handful of experiments with community-operated stations (e.g. in Mali and Burkina Faso) and private commercial stations (e.g. in Gambia and South Africa) are underway.

Moreover, recalcitrant political leaders regularly revert to heavy-handed tactics to suppress freedom of expression. In many African countries, the authorities still possess a battery of public security legislation which extends extensive powers to limit access to official "secrets" and to ban publications. For example, in Kenya, the government impounds "offending" issues of Society, Finance, and Nairobi Law Review and continues to harass editors with sedition charges. The repeal of such repressive press legislation remains an important item on the liberalization agenda. Nor has violence against journalists been eliminated: 11 journalists were killed in the course of duty in Africa in 1992. While unacceptably high, this figure must nevertheless be placed in perspective against the 98 killed worldwide (including 24 in Bosnia, 15 in Turkey, and 10 in Peru during the same year) (Sussman, 1993, 67; see also Article 19, 1991).

Moreover, the benefits of media liberalization are undercut by economic trends. The inflation of national currencies, brought about by devaluations and lax monetary policies, has prohibitively raised the cost of newspapers, among other basic commodities. Thus, at precisely the time that the free expression is flowering, the readership of newspapers and newsmagazines in African countries may actually be shrinking. Nor does the contraction of aggregate consumer demand bode well for the long-term viability of media enterprises. Until there are vibrant market economies, advertising revenues will remain meager and the price of newsprint will continue to skyrocket. Africa's press sectors can expect to face competitive shakeouts in which numerous newly-established independent publications will close.

Freedom of Association

The pendulum has recently swung towards greater associational freedom in Africa. Opposition movements have emerged in every African country to challenge the official political monopolies which prevailed less than half a decade ago. Civil societies have manifested themselves with the burgeoning of religious bodies, independent trade unions, professional and business associations, womens' and students' groups, and community development and civic organizations. And, with opportunities to contest elections, former politicians and a new generation of political aspirants have coalesced to sponsor the formation of new political parties.

By way of illustration, just three types of political association will be mentioned: civic organizations, political parties, and national conferences. During the 1980s, a few courageous citizens (in Nigeria, Uganda, Zaire, Zambia and Zimbabwe among other places) established non-governmental organizations to monitor governmental human rights performance. By 1991, local chapters of Amnesty International operated openly in Benin, Sierra Leone and Togo, joining those already active in Zambia and Mauritius (although members in Sudan were forced to restrict their activities). Some such groups expanded their mandate to include election monitoring, for instance through the GERDESS network of intellectuals and professionals in francophone West Africa and umbrella groups of churches in East Africa. By insisting on non-partisan oversight of government performance and electoral contests, election civic associations have helped to keep governments honest and to educate citizens about the importance of an independent civic realm.

Activists usually made single-party legislation a target of protest. In numerous countries, the repeal of constitutional restrictions on political party formation prompted a flood of party registrations, though this did not always reflect a genuine increase in associational activity. Too often, so-called "parties" constituted little more than an ambitious politician, a handful of acolytes, and a non-existent base of members and finances. In these cases, freedom of association sometimes worked at cross-purposes to the larger objective of democratization. Political parties tended to proliferate uncontrollably, to engage in internecine bickering, and to fragment the opposition movement. Incumbent authorities were quick to seize opportunities to divide their opponents, for example (like Mobutu and Bongo) offering public subsidies to any group wishing to set itself up as a political party. Elsewhere (as in Kenya and Zaire) the opposition split on ethnic lines. And even, as in Zambia, where labor, business and professional groups coalesced into a powerful social movement, the Movement for Multiparty Democracy has failed to institutionalize itself as a well-organized political party.

Africa's greatest original contribution to global liberalization is the national conference, a form of political association that has been convened in more than half a dozen francophone states. A national conference is an assembly of national elites, between several hundred and several thousand strong, which includes representatives of all major segments of civil society and is often chaired by a church leader. The conference meets to address a country's political crisis and to attempt to formulate constitutional rules for political transition. The critical point comes when the conferees demand full sovereign power to revise the constitution or, as in Benin and Congo, to conduct a public impeachment in which the sitting president is accused of corrupt practices and stripped of executive powers.

Unsurprisingly, governments have placed obstacles in the way of free association and assembly. In francophone countries, incumbent leaders have attempted to infiltrate the national conference with phony associations made up of their own supporters or to prevent it from meeting at all. In anglophone African countries, leaders have implemented public security legislation requiring police permission for small groups to congregate in a meeting. Still others have unleashed security forces: Mobutu ordered troops to gun down university students (May 1990) and peaceful street demonstrators (February 1992) in Zaire; and President Ahmed Taya launched a raid on the opposition party's headquarters in Nouakchott, Mauritania in early 1992.

But, taken together, advances in the availability of basic freedoms have improved the atmosphere for political activity in African countries. As the vulnerabilities of repressive regimes have been revealed, ordinary citizens have become less fearful of state power. Today they are less inclined to remain silent and politically passive when civil liberties are trampled. Independent media and independent political organizations, however fragile, do constitute institutional checks against the quixotic excesses of dictators. If not yet fully empowered, Africans are at least emboldened. I would argue that this freshening of the "atmosphere" of politics is likely to be the deepest legacy of the current period of liberalization.

Trends in Democratization

How would we recognize a democratic political transition if we saw one? Three simple criteria apply. A political transition is democratic if:

* it occurs by a competitive election that is open to all potential participants;

* the administration of the election is free and fair, as judged by international observers and domestic monitors;

* all participants, including the losers, accept the results of the election.

Note that the ouster of incumbents and the alternation of leaders are not necessary conditions for a democratic transition. A reelected leader could feasibly govern under new rules for enhanced participation and competition, even though recent African experience shows this to be unlikely. A more important requirement is that all participants accept the outcome, usually because the rules allow losers to live to fight another day in a subsequent, scheduled election. Unless all parties agree on new rules for the political game, there is no transition; and unless these new rules include provision for popular participation and open competition, a transition cannot be considered democratic.

To date, in the current round of reforms, presidential elections have been held in 18 independent African countries. These contests, listed chronologically in Table 2, underestimate the total amount of recent electoral activity in Africa by excluding legislative elections[14].

What political trends can be observed? To begin with, these elections have apparently been conducted with a degree of integrity. At least half of the time -- 9 "Yeses" out of 18 cases (see Table 2, column 3) -- the elections were conducted freely and fairly according to official observers. In an additional three cases (Cote d'Ivoire, Ghana and Senegal, marked "Yes?" in Table 2), observers noted irregularities in campaign conduct and polling procedures but did not challenge the official results. Only five cases of fraud sufficiently blatant to discredit the elections were identified (Gabon, Mauritania, C.A.R., Cameroon and Kenya, marked "No" in Table 2)[15].

This volume of reported irregularities is generally lower than for previous, one-party elections in the same countries (Hayward, 1987, 12). Close scrutiny by international donors and observers, and by local journalists and election monitors may have partially deterred fraud and violence in this round of elections. Occasionally, international observers may have helped incumbents stake a claim to victory by overhasty endorsement of the electoral process (e.g. in Ghana, and initially in Kenya). On the other hand, where defeated opposition movements cried foul, their complaints were not always fully justified (e.g. Angola). Overall, recent presidential elections display an improving record of fair conduct as judged against prevailing electoral standards in Africa.

The peaceful alternation of leaders as the result of a competitive election is also an original development in African politics. In six recent elections, incumbent presidents were voted out of office (see "Yeses" in Table 2, column 4) and in two other cases incumbents did not run and were replaced by elected leaders (Mali and Niger, see "Yes?"). These unprecedented events included, in the case of Kenneth Kaunda of Zambia, the rejection by voters of one of Africa's most prominent nationalist founding fathers. The pace of peaceful electoral successions has clearly accelerated: whereas only two such events occurred in the three decades between 1960 and 1989[16], African presidents were replaced in peaceful elections on eight occasions in a brief three-year interlude between 1990 and 1993.

The alternation of top leaders has not occurred without hitches. For example, in the Central African Republic, incumbent president Andre Kolingba annulled elections-in-progress in October 1992 when preliminary results indicated that he was running fourth in a field of five candidates. Moreover, several more incumbents have been reelected (10 out of 18) than have been ousted in presidential elections held since 1990 (see Table 2, column 4).

Incumbents enjoy electoral advantages in all types of political regimes, but such advantages are particularly marked in authoritarian regimes where the chief executive monopolizes power. African presidents facing reelection have freely exercised their control over the informational, material, adjudicative and coercive instruments of state. They have everywhere used state-owned radio and TV stations to disseminate their own campaign messages and hindered media access for other candidates. In countries where the president retains personal control over public revenues, vote-buying has been rife. Especially in the francophone countries, where the electoral machinery is located within the Ministry of the Interior, incumbents have been able to count on the loyalty and partisanship of electoral officials. And, when all else has failed, certain presidents have been willing to unleash security forces against their electoral opponents.

Despite such significant advantages, however, the remarkable point about the current round of multiparty presidential elections is the uncertainty of outcomes. The turnover of some supreme leaders indicates that these elections have been genuinely more competitive than previous one-party contests in which there was only one candidate who always won.

As Table 2 indicates, however, there is a very strong relationship between fraudulent elections and incumbent victories. Wherever the election fell short of internationally accepted standards ("No" in column 3), the incumbent was returned. An existing leader was returned fairly with observer endorsement only in the case of Angola; even in Ghana, Ivory Coast, and Senegal ("Yes?") where incumbents won large victory margins, serious questions were raised about how they did so. The data confirm that, where electoral irregularities have occurred, incumbents and their supporters have been the main perpetrators.

Perhaps for this reason, there is an absolutely perfect relationship between the return of an incumbent and the refusal of losers to accept the results of an election. This relationship holds true for all cases in which the incumbent won, regardless of whether he did so by fair, foul, or mixed methods. Because this is a perfect relationship, the opposite also holds true: namely that, wherever an incumbent was ousted fairly, he accepted the results and stepped aside. What do these mixed outcomes portend for the consolidation of a democratic political culture in African countries? On the one hand, democratic rules are strengthened when leaders like Kaunda and Kerekou gracefully concede power. On the other hand, leaders like Biya and Bongo have apparently rigged themselves back into office. Moreover, as will be discussed further below, two out of three incumbent African presidents have yet to expose themselves to an electoral test and many are showing great reluctance to do so.

Before turning to the bad news, however, let us summarize the good news. In the past three years, 18 competitive elections have been held in Africa. Eight of these elections marked democratic transitions, by fulfilling basic conditions outlined above, namely that electoral procedures were free and fair and that the loser accepted the results. These eight cases -- Sao Tome, Cape Verde, Benin, Zambia, Congo, Mali, Madagascar, and Niger -- are marked with an asterisk on Table 2.

The eight newest democracies join six existing regimes in Africa that have a record of multiparty competition (Botswana, Gambia, Mauritius, Namibia, Senegal and Zimbabwe). Depending on how one defines the term, there are now up to 14 democracies among the 52 states in Africa. Note that Freedom House makes a more conservative count, with only 9 countries falling into its "most free" category on political rights (see Table 1, Summary)[17].

By any measure, however, only a minority of African political regimes are democracies. To complete the assessment of trends in democratization, comments must be made about the status of political transitions across the continent. I see four basic patterns of political transition, each with distinctive contradictions and challenges.

1. Fragile Democratic Transitions. In this pattern, discussed above, a competitive election has been successfully held and a new regime has been installed which promises to abide by democratic rules. These transitions are fragile because new political institutions (regular elections? active legislatures?) are untested. Democratic regimes have no more than a toehold in Africa , for several reasons.

First, democratic transitions have so far occurred disproportionally in small countries. Whereas one-quarter of Africa's countries now have democratic regimes, they contain under 10 percent of the continent's population[18]. With the exception of Madagascar, all recent democratic transitions have occurred in countries fewer than ten million people, and, in the case of Cape Verde and Sao Tome, in micro-states with fewer than a million.

Second, the pace of democratization has decelerated after a turning point in mid-1992. Almost all the recent democratic transitions (6 out of 8) took place by August 1992, a moment marked by the successful election in Congo (see Table 2, columns 2 and 5). By contrast, beginning with the Mauritanian presidential elections in January 1992, and gathering pace in Angola in September 1992, most subsequent elections (6 out of 8) have been flawed either by incumbent fraud, loser protests, or both.

Third, political institutions in Africa's fledgling democracies are proving to be extremely fragile. The executive branch finds difficulty in extending its authority throughout the national territory in the absence of extra-constitutional powers, as witnessed by the Zambian government's reimposition of a state of emergency in March 1993. In addition, parliament has yet to consolidate itself as a coherent independent branch of government in most African countries. For example, President Pascal Lissouba dissolved the elected assembly in Congo after the prime minister lost a vote of no confidence; the political crisis was eased by the formation of a coalition government but deep divisions remain and a date for a new legislative election has yet to be set. In large part these problems can be laid at the feet of opposition movements who, failing to abide by the rules of the democratic game, take advantage of newly-won freedoms to plot against duly constituted governments.

At the same time, opposition parties, always weak, are weakening further. In Namibia's December 1992 local government elections, for example, the governing party (which obtained only 57% vote in the country's founding election) trounced the opposition and moved closer to establishing a defacto one-party system. In one commentator's view, a strong constitutional opposition "is crucial in the establishment and maintenance of democratic regimes", a requirement which few African countries have yet met (Lawson, 1993, 184)[19]. To state the obvious, the challenge for post-transitional regimes is to consolidate a full range of democratic institutions.

2. Flawed Transitions. In this pattern, which has predominated since mid-1992, an election is held and a new government is formed, but the regime of governance changes minimally, if at all.

The best known cases are Cameroon, Ghana and Kenya, where incumbent presidents manipulated the rules of the transition and the timing of elections to their own advantage. For example, Moi amended the constitution of Kenya to introduce regional vote requirements for presidential candidates and Rawlings packed Ghana's constitutional reform commission with members of his own Provisional National Defense Council[20]. Usually, the incumbent won narrowly with a bare plurality -- Biya obtained 40 percent of the vote against John Fru Ndi's 36 percent, and Moi secured 36 percent against a splintered opposition[21].

For all these contests, observers issued critical reports: the National Democratic Institute blamed Biya for a "failed" election (NDI, 1992), a pre-election observer mission criticized repressive campaign laws and defective voter registration rolls in Ghana (IFES, 1992), and in Kenya, Commonwealth observers stated that while the elections were "an important turning point in Kenya's history", they "cannot be given an unqualified rating as free and fair" (see also IRI, 1993).

In flawed transitions, the losers refuse to accept the validity of election results. The frequency of this outcome -- in 10 of the 18 recent presidential elections (see Table 2, column 5) -- is cause for doubt that democratic rules are being institutionalized in Africa. In Ghana, for example, the opposition refused to take part in subsequent legislative elections and, in Kenya, losers mounted legal challenges to election results in 90 out of 180 parliamentary constituencies.

With hindsight, the pattern of flawed transition was visible from as early as October 1990 (see table 2) when Felix Houphouet-Boigny and Omar Bongo used the incumbent's advantage of surprise over disorganized and fragmented oppositions to call snap elections in Ivory Coast and Gabon. Boosted by electoral fraud, both incumbents won. Learning lessons from previous elections, many African presidents are now implementing "strategic countermeasures" (Lemarchand, 1992) aimed at regaining power through controlled elections. While such leaders profess acceptance of democratic norms, they convene polls simply to ratify the legitimacy of the dominant party. There is a danger that flawed transition will become the "default mode" for contemporary African elections and the most common pattern of political change.

Leaders "elected" in this way are likely to govern much as before. After the elections Houphouet and Biya imprisoned their main opponents and Moi suspended the first day of parliamentary proceedings. These leaders have made no firm commitment to subject themselves again to scheduled elections ("one man, one vote, one time"). They have fallen back on proven methods to consolidate personal rule by distributing public revenues as patronage rewards. Also, these reelected incumbents have succeeded in winning a measure of international political support for flawed transitions, in part because they lead relatively large, rich countries whose stability is a matter of concern for international investors and trading partners. Given financial backing from France (notably to Cameroon), Britain (notably to Kenya), and by international financial institutions (to the Ghanaian government), these leaders enjoy improved prospects for political survival.

3. Blocked Transitions. Ironically, the African country which sparked the current round of political renewal in 1988 has become the paradigm of blocked transition. Algeria's path-breaking return to multiparty politics collapsed when the government cancelled a second round of elections after a sweep of the December 1991 polls by the Islamic Salvation Front (FIS). The military then forced the resignation of President Chadli Benjedid and dissolved the National Assembly and the Constitutional Council.

Other cases of blocked transition have also involved military intervention, though less directly. In both Zaire and Togo, the transition bogged down when the country's strongman refused to bow to popular demands made at a national conference. The power struggle was immobilized in a standoff between the incumbent president and a prime minister who had the support of legislators. Strikes and protests escalated and were met with whatever remnants of military force the president could still muster. As public resources dwindled, the military mutinied over pay, at one point surrounding the sitting legislature with guns. In these cases, "it has almost seemed as though Mobutu and Eyadema were operating from the same manual" and the process of democratization dissolved into "a contest of brute force" (Africa Demos, 1993, 15).

In such highly personalistic and intransigent regimes, the fate of the regime and the prospects for transition depend on the whim of a supreme ruler. Where rulers have governed by dismantling all political institutions that could serve as a power base for an opponent, their own demise is often followed by a power vacuum. In the absence of tested procedures to resolve a succession crisis, the greatest danger is the fragmentation of the state.

4. Transition Precluded by Conflict. Some African states have already fragmented. Governments embroiled in civil wars cannot make good on authoritative claims to monopolize the legitimate use of violence within their own territories. Where central authority is weak or nonexistent, and guns are readily available, social relations are decidedly "uncivil". The mass starvation in Somalia which claimed some 300,000 lives (including 25 percent of all children under five) was at least partly attributable to extortion by armed guerrillas.

In such conflict situations, the preconditions for democratic transition are entirely absent. As the United Nations has learned in Cambodia, free elections are impossible to organize where central government structures have collapsed and where contenders do not agree on ground rules for political competition. In Liberia, Mozambique and Rwanda, warring factions have caused delays in the convocation of elections by refusing to enter and abide by cease-fire agreements. And, in Ethiopia and Angola, where elections were attempted as a means of peace-making, the results have been deeply disappointing. In Ethiopia, subnational factions withdrew from the electoral process in June 1992, seeking instead to discredit it. In Angola, UNITA commander Jonas Savimbi resumed the civil war rather than face likely defeat in a runoff election for the presidency. These cases point to an important lesson: warring factions must be demobilized and disarmed in advance of any election; otherwise, armed groups have the military wherewithal to overturn any electoral outcome that they find objectionable.

Overview: Liberalization Without Democracy

Commentary from sympathetic Westerners on political trends in Africa has swung wildly from early hopeful expectations of a "second liberation" (Dag Hammarskjold Foundation, 1992) and "political renewal" (Joseph, 1992) to a prevailing mood of "Afropessimism" (Lemarchand, 1992, 98). In a stinging critique in Foreign Affairs, Marguerite Michaels warns of impending civil disorder in the wake of the "stalling...winds of change" (1993, 93). Less apocalyptically Africa Confidential expresses "new doubts...about the sustainability of multiparty democracy in Africa in the wake of a series of disputed elections" (20 Nov 1992). And Africa Demos now concedes that "as the new year (1993) begins, we are no longer so optimistic. The struggle for democracy has been forced onto a new and disadvantageous plane" (3, 1, February 1993, 14).

Instead of rushing to judgment about the prospects for democracy in Africa, analysts should take a detached, comparative view of a mixed situation that is comprised of both advances and setbacks. As Peterson suggests "democratic development will not be a uniform, linear process" (1993, 17). Even in democratizing countries, the transition will unfold with at least one step back for every two steps forward. As some countries incur setbacks, others will make advances. And long-term prospects cannot be projected from a short-term trend in a single year: while there were more flawed transitions than democratic transitions in Africa in 1992, there have already been three democratic transitions in 1993 (Madagascar, Niger and Lesotho[22]). It is premature to announce the death of the democratic impulse in Africa. Rather than seeking simple generalizations about complex political changes, we need to recognize that different categories of African country are embarked on divergent and circuitous paths.

Yet, even within this murky context, some progress is discernible. About a quarter of African countries covering about a tenth of the continent's population now have freely elected governments and a reasonable semblance of competitive politics. This constitutes a significant break with a dark authoritarian past. Moreover, in most African countries -- even those in which the drive for democracy has been flawed, blocked or precluded -- leaders have been forced to liberalize. African citizens now enjoy improved personal security against abuse of state authority; without looking over their shoulders, they can openly express heart-felt political opinions; and they can exercise choice in organizing and joining political associations.

Let us recall that political liberalization can occur without democratization. The empirical record in Table 1 supports this interpretation for much of Africa. Between 1988 and 1992, more African countries made gains in respecting basic civil liberties (37 "gainers", 6 "losers", for a net gain of 31 countries) than made gains in implementing a full range of political rights, including open elections (21 "gainers", 11 "losers", for a net gain of 10 countries). Without exception, the 21 African countries that advanced on political rights also made gains in civil liberties, suggesting that political liberalization is a necessary precondition for democratization. At the same time, 16 other African countries made civil liberties gains without holding free and fair elections, confirming that political liberalization is not a sufficient condition for democratization.

Do these positive trends herald a new convergence of African regimes around norms of liberal democracy? The data indicate otherwise. The standard deviation of country scores around the mean scores for both civil liberties and political rights were higher in 1992 than in 1988 (see Table 1, summary). This suggests that there is now greater diversity among African regime types than in the past. During the 1970s and 1980s, African leaders came to share a normative consensus on the desirability of authoritarian practices such as political detention and single-party elections. While this old hegemony had been decisively broken by 1992, a new consensus in favor of liberal democracy has yet to emerge. Thus, while the processes of liberalization and democratization had begun, Africa still had a long way to go against absolute standards as embodied in say, the U.N. Convention on Civil and Political Rights.

Yet, from a comparative empirical perspective, recent political trends are more positive in Africa than in some other parts of the world. According to Freedom House, 21 countries changed categories in overall "freedom rating" in 1992. Of this number, most non-African countries on the list registered declines (7 out of 11)[23], whereas most African countries registered advances (8 out of 10)[24]. In other words, recent African elections ("warts and all"), still constitute a broadening of political freedoms compared with previous regime conditions. Moreover, while the pace of democratization has recently slowed in parts of Africa, the trend of deceleration has been slower and less widespread than in, say, the newly-independent states of Central Asia.

African countries also fare better on indicators of political development than would be predicted by their dismal standings on socioeconomic development scales. For example, Africa contains 8 of the 12 poorest countries in the world as measured by gross national product per capita and 11 of the 12 countries with the lowest average life expectancy (World Bank, 1992, 218). Yet, of the 12 "worst rated" countries in terms of abuse of civil and political rights, only 3 are in Africa (Libya, Somalia and Sudan), with the remainder located elsewhere in the post-communist and Islamic worlds[25]. Civil and political rights are sectors of human endeavor (along with soccer!) in which African countries do not automatically fall at the bottom of the world league table.

This relatively encouraging political performance may be due to peculiarities of the Africa region. As followers rather than leaders in world affairs, African countries are latecomers to what Huntington has called the "third wave" of democratization which has swept the world since 1974 (1991). Thus African transitions may be "peaking" at a time when other countries are encountering the difficulties, and setbacks, of democratic consolidation. The problems of democratic consolidation are only now beginning to arise in most African countries which, in general, are economically and culturally ill-prepared to nurture and sustain democracy.

Ironically, Africa's improved political performance also may be attributable to a lack of capacity on the part of state institutions. The Chinese state had the indigenous military and material might to crack down on pro-democracy protesters in Tien-an-men square. African state institutions are much weaker in relation to their own mobilized populations, domestic military forces, and international donors. Many an African government is little more than a bankrupt institutional facade that lacks the wherewithal to convincingly back up authoritative commands. Thus, where armed repression has recently occurred in African countries, it usually has been initiated by disgruntled military mutineers rather than as a systematic government policy.

Africa may well have entered a period in which democratic transitions will become less frequent than in the recent past. The "easy" cases may already have been exhausted, with transitions in the remaining countries inhibited by endemic or incipient conflict, weak and divided opposition movements, or wily incumbent leaders who can draw upon reserves of domestic and international support. A prediction can safely be made that additional political turmoil awaits Africa, even if its direction is difficult to discern.

On this last point, we should remember that we are observing political transitions that are still unfolding and which are far from complete. Over the course of the next year, elections will be held in at least ten more African countries (see Table 3). If present trends are extrapolated, we can expect several of these elections to usher in democratic regimes, while others will mark blocked or flawed transitions. The outcomes of presidential elections in two key regional states -- Nigeria and South Africa -- will influence decisively the prospects for democratization on the continent as a whole. On one hand, peaceful transitions are threatened in both these cases, in Nigeria because of entrenched civilian corruption and the military's need for control, and in South Africa because of deep-seated hatreds among ethnic groups. On the other hand, both Nigeria and South Africa can draw upon greater reserves of previous experience at operating democratic institutions than most African countries. At very least, commentators should suspend sweeping judgements about optimistic or pessimistic scenarios for African democracy until political outcomes are known for these critical cases.

Conclusion: The Reversibility of Gains

To be sure, recent political gains in Africa are tenuous. Political openings, introduced with the stroke of a president's pen, can be closed with similar swiftness. Even democratic elections can be overturned. Africa's first "Haiti" -- in which a newly elected leader is ousted in a reactionary military coup -- cannot be far off.

Supporters of democratization in Africa must therefore turn attention to the urgent challenge of consolidating democratic political institutions. The tasks are legion. Within the state, reformers must further amend constitutions to entrench basic rights and to increase legislative powers vis a vis the executive. Judges and legislators must strengthen their independent branches of government to provide the rule of law and consultative policy-making. Civilian authorities must domesticate unruly armed forces and scale back military spending. Local government must be revived. Within society, voluntary organizations must proliferate further if citizens are to learn "the art of associating together". The independent press must find viable means of survival. Above all, citizens must build strong political parties dedicated, not to the politics of cabal and intrigue, but to loyal opposition and the rules of the democratic game.

Can such institutions can take root in infertile African soil? Without doing full justice to the subject, this paper will close by briefly identifying several factors that will affect the consolidation of democracy: the economic context, the cultural context, and the role of international donors.

First, it must be remembered that pro-democracy movements in Africa were ignited by economic protests against declining living standards; in one interpretation, "the struggle for political freedom (was) intimately connected with opposition to structural adjustment" (Carver, 1991, 58). Calls for a democratic change of leaders were driven by concern at economic mismanagement and corruption. While opposition parties were usually more economically liberal than incumbent regimes, election campaigns centered on the personalities of leaders rather than on economic policies. Thus, when voters ejected incumbents, they did not mandate an intensification of economic reform programs but, rather, demanded relief from them. Whatever opposition leaders said about sacrifice (and they usually said little), voters expected lower food prices and the elimination of fees for government services.

Unrealistic economic expectations pose a potentially mortal threat to democratically elected governments. The dilemma is sharply summarized in a letter entitled the "Agony of Democracy" written to the Times of Zambia: "Before President Chiluba we were afraid to open our mouths. Now we can open our mouths but we have nothing to put in them" (Ndende Wa Mwiimbi, Lusaka, March 10, 1993). Economic protests have not ceased in the aftermath of democratic transitions and, in the new climate of openness in some countries, strikes and demonstrations have actually multiplied. Democratic governments could easily run out of time as political legitimacy is exhausted before benefits of adjustment are broadly felt. Disillusioned voters can easily blame their plight on the government of the day, and even retaliate by withdrawing from the democratic process itself.

More generally, the global historical record suggests that democratic institutions are difficult to construct under conditions of mass economic privation and great inequalities of wealth within society. At least in the short run, the structural adjustment programs adopted by African governments tend to reduce mass purchasing power (e.g. through the elimination of subsidies) and concentrate economic assets in the hands of private capital (e.g. through privatization of public corporations). There is a basic contradiction here: where political reform is immediately equalizing (e.g. by giving everyone a right or a vote), economic reform is initially disequalizing (e.g. by providing the greatest incentives to the most entrepreneurial). Until such time as economic benefits trickle down, structural adjustment tends to work at cross-purposes to the consolidation of democracy.

A second important factor is political culture. The values of human rights and liberal democracy are often claimed to be universal, and may be so for middle classes worldwide. Yet many of these values derive from Euro-American political traditions and the most individualistic and competitive are exotic to Africa. African masses (and African elites that owe their positions to political privilege) may not be deeply attached to them. Westerners, projecting our own aspirations, may misinterpret political changes in Africa in the light of the histories of our own societies.

Within African countries, the norms of liberal democracy confront a deeply-embedded political culture in which patterns of authority have been inculcated by precolonial, colonial, and postcolonial regimes. At the risk of oversimplification, this culture can be described as neopatrimonial. Neopatrimonialism originates in the African extended family, with the dominance older males and strong interpersonal ties. It has been reinvented ("neo-") in the form of the "big men" and personal political relationships that pervade modern African political institutions, including government bureaucracies. At the elite level, neopatrimonialism is manifest in the overcentralization of power ("one-man management"), arbitrary decision-making ("the rule of men"), and the use of public resources for personal advancement ("corruption"). At the mass level, neopatrimonial culture reveals itself in obeisance and deference to political superiors ("respect"), in conformity in group behavior ("government by consensus"), and in economic dependence upon wealthy patrons ("lack of economic initiative").

This illiberal political culture is not conducive to political or economic entrepreneurship. Dissenters and overachievers are treated with suspicion and may even be punished if they threaten to upset established status-rankings of age, gender and clan. The political system is built on a hierarchy of patron-client relationships in which political support is traded for material rewards. This system has been sorely tested by national economic decline and has begun to break up as patrons lose resources with which to sustain political followings. In this context, some clients abandon old patrons, seek new ones, or sometimes -- in a break with the past -- try to go it alone politically as individuals or in groups of peers.

The prospects for democracy in Africa's complex societies depend on the size and influence of the counter-cultural groups that abandon neopatrimonial values. Democratization in Africa is very much a generational and a class struggle, with younger persons and middle classes claiming a share of power and opportunity. Because they are formally educated, these groups display values of political efficacy and tolerance that are consistent with democratic citizenship (Bratton and Liatto-Katundu, 1993). Whether democracy prevails, however, depends on whether these values disseminate to the majority of their compatriots. One can predict that neopatrimonial practices will die hard. Leaders who received their political socialization under authoritarian rule always will be predisposed to resort to extra-legal measures against opponents. Ordinary people who are used to depending on patrons will be susceptible to the appeals of demagogues and the threats of thugs (Charney and Booysen, 1992). The construction of a supportive political culture remains an unfinished task in the democratization of Africa.

Finally, a word about international donors. Political conditionality, in which foreign aid is withheld in order to encourage respect for human rights and open elections, has contributed to political gains in selected African countries. Now that several African countries have undergone democratic transitions, a more positive approach -- using a carrot rather than a stick -- becomes possible. Official development assistance should be concentrated on those countries that have advanced politically. And, because Africa's new democracies are extremely fragile, new donor approaches are required to protect and nurture political institutions.

At minimum, donors should relax stringent economic adjustment requirements if they threaten to undermine legitimate governments. At the same time donors could make available a greater share of aid resources for ameliorating the social costs of adjustment. Debt relief could be offered in return for reductions in military spending. Donors should also increase investments in a whole range of formal and informal education programs that promise to accelerate the spread of democratic values in African societies. Finally, new forms of project assistance must be devised for encouraging the growth of democratic political institutions. Within the state, many such projects, for example to strengthen legislatures and electoral or court systems and to improve governance in central and local government, could be initiated on a government-to-government basis. Otherwise, indirect, non-governmental channels could be used to help proliferate and reinforce civic associations, an independent press, and even political parties.

But, in accepting democratization as a goal for foreign assistance, donors will require good judgment about the sincerity of reformers and the authenticity of reforms. Too many recent elections in Africa have been cosmetic events convened for the consumption of an international audience. Western governments should resist the trap, into which U.S. administrations have fallen in Latin America, of allowing economic or strategic interests to lead to the endorsement of mock elections and formalistic democracies (Carothers, 1991; Human Rights Watch, 1993). Moreover, Western governments should avoid concocting a new demonology in which Islamic fundamentalism replaces communism as a global threat requiring containment. Already there are signs, not only from Algeria, that African political leaders can win Western support for non-democratic practices by claiming to stand firm against the spread of Islam.

Similarly, donors should resist calls to soft-pedal on demands for parliamentary democracy and to "support for good governance and accountability in whatever form of government Africans choose" (Michaels, 1993, 108). Good governance can only be achieved and sustained where demands for public accountability constantly emanate from a full range of representative institutions. Nor should short-term incompatibilities between economic reform and democratization be interpreted as an excuse to deny political rights to poor people. Through their actions to oppose autocracy, ordinary Africans have already demonstrated a genuine desire, not only for bread, but also for freedom.

Endnotes

1. This paper draws on data compiled for a larger project on Political Transitions in Africa being undertaken by Michael Bratton and Nicolas van de Walle at Michigan State University. MSU provided an All University Research Initiation Grant to launch the project. The author wishes to thank Philip Alderfer, John Davis and Sangmook Kim for research assistance and Yusuf Hassan, Reinhard Heinisch, Peter Kariethi, Leonard Sussman, and Mark Wolkenfeld for providing supplementary information. David Gordon, Steve Tucker and Nicolas van de Walle offered useful prods and comments along the way.

2. The UNDP effort to create a "political freedom index" appears to have become bogged down in long-standing U.N. debates about the relative value of individual versus collective rights and political versus socioeconomic rights.

3. The Comparative Survey of Freedom is primarily underwritten by the Pew Charitable Trusts. Information for the survey is derived from a wide range of sources including fact-finding missions, resident correspondents, area specialists and published reports.

4. The panel of experts assigns initial ratings to countries by awarding from 0 to 2 points per checklist item depending on the degree of compliance with the standard. On the 13 civil liberties items the highest possible score is 26; on the 9 political rights items the highest possible score is 44. Countries with combined raw scores of 0-14 points are initially judged to be "least free", 15-29 points as "partly free", and 30-44 points "freest". The panel then makes minor adjustment to account for factors such as extreme violence, standardizes the scores on a seven point scale, averages the scores, and places countries in a final category on the "freedom rating" for the year in question. Those whose scores average 1 to 2.5 are considered "most free", 3 to 5.5 "partly free", and 5.5 to 7 "least free".

5. Freedom House draws its expert panelists from a narrow network of employees and associates; the derivation of the survey numbers is not purely mechanical but also reflects the judgment of panelists; and the procedures for converting raw scores into standardized scores, and weighing different items, are insufficiently transparent. According to what mathematical formula, for example, does the Freedom House panel convert raw scores on a scale of 0 to 44 (with highest being "freest") to standardized scores on a scale of 1 to 7 (with lowest being "freest")? And how are the 9 political rights items and 13 civil liberties items weighted: equally? proportionally?. And why not standardize the results on a scale of 1 to 10 for ease of mathematical manipulation and intuitive understanding? Above all, subjective bias of judges could be controlled by several expert teams working independently and then comparing and harmonizing the results (see U.N. 1992, 30).

6. To this reader, for example, Freedom House undermines its credibility by apparently basing the following account of recent events in Angola Freedom House on UNITA sources: "U.N. supervised elections in Angola led to a victory by governing party MPLA over UNITA. Before a required run-off between the two competing leaders, President Eduardo dos Santos and Dr. Jonas Savimbi, UNITA and other parties charged the government with voter intimidation and a pattern of voter irregularities they claimed disenfranchised their supporters. The breakdown in the ceasefire agreements led to a government-initiated air and ground offensive against UNITA's headquarters and strongholds in Luanda. Government troops summarily executed a UNITA negotiating team led by Vice-President Jeremias Chitunda. The year ended with UNITA returning towns it captured to government control and promising participation in a national unity government" (Freedom Review, 24,1, 1993).

7. Other data sources include the periodic reports of Amnesty International and Africa Watch. Each has shortcomings for purposes of comparative analysis. Whereas Amnesty reports cover every country, they focus on political imprisonment (and related issues like the death penalty) but neglect other aspects of civil and political rights. Africa Watch country reports address a more comprehensive range of rights issues, but cover only a handful of countries. The only source to rival Freedom House is Humana (1992), a data set which covers only 104 countries (excluding smaller African states) at multi-year intervals (rather than annually).

8. The "least free" category includes countries with a score of 6 or 7 on Freedom House's seven point scale.

9. The scores of these countries rose by three points or more on the seven point scale.

10. Algeria and Tunisia "opened up" in 1988, but then "closed down" again in 1991.

11. A fuller account of the Nigerian situation would be more nuanced. Whereas the government sponsored an international seminar on human rights in Lagos in 1992, it did not invite domestic groups and warned them not to criticize the government while visitors were in the country (Human Rights Watch, 1993, xviii).

12. On March 29, 1993, the Supreme Court of Malawi upheld Chihana's conviction but reduced his sentence to nine months. Supporter's protested that, although in ill-health, Chihana is forced to undertake hard labor. He may be released before Malawi's referendum on multiparty politics in June 1993.

13. See especially the bi-weekly Mwananchi, which has displaced the government and party-owned Daily News and Uhuru as the popular publication of choice.

14. The Namibian presidential election of March 1990 is not included because was part of a decolonization agreement. The list also excludes those countries which held legislative polls, but which did not choose a president by direct election, either because they are parliamentary systems (Lesotho) or because the presidential contest is yet to come (e.g. Burkina Faso, Djibouti, Ethiopia, Nigeria, and Seychelles). Data on electoral outcomes was drawn from a variety of documentary sources and judgements on the integrity of the proceedings from the reports of observers and monitors.

15. In one case, there was no reference available to an observer report (Comoros).

16. Incumbent chief authorities were upset in elections in Sierra Leone in 1967 and Mauritius in 1982.

17. For imperfections in electoral and representative processes, Freedom House excludes Congo, Senegal, and Zimbabwe from the "most free" category on political rights in 1992. Presumably the 1993 breakthroughs in Madagascar and Niger will be recorded in the 1994 Survey report. Concerns about Senegal's democracy have been borne out by recent events. In the February 1993 presidential elections, President Abdou Diouf was apparently returned again with a wide margin. Observers from the U.S. and France said the polling was generally fair although hampered by shortages of voting equipment and personnel. But the polls were marred by violence in Casamance province, opposition charges that Diouf's Socialist party engaged in widespread electoral fraud, and long delays before the electoral commission announced official results.

18. Calculated as 59.2 million persons out of a total Africa population of about 600 million in 1990.

19. Lawson also sees constitutional opposition as "one of the most important indicators of democratization".

20. The PNDC government secretly added a clause granting immunity to the military for acts committed in office.

21. Only Rawlings won an outright majority (with 58 percent).

22. Madagascar is an interesting recent case whose democratic transition echoed popular uprisings from Prague and Leipzig in 1989: in February 1993, medical professor Albert Zafy, the leader of a broad-based democracy campaign that drew up to half a million people into the streets, finally ousted entrenched military strongman Didier Ratsiraka by a two-to-one margin in an open presidential contest. In March 1993 in Niger, the interim military president was succeeded by Mahamane Ousmane, a leftist reformer who gained 54 percent of the vote from a united opposition coalition known as the Alliance of Forces for Change. In the same month, the opposition won a sweeping victory in Lesotho's parliamentary election and was expected to provide the next government and prime minister. Because this was a legislative rather than a presidential election and because, at the time of writing, there was an impending danger that the military could intervene to reverse the election result, as it has done before, Lesotho was not included on Table 2.

23. The countries regressing in 1992 include Estonia, Latvia, Venezuela (from "free" to "partly free") and Bhutan, Tajikistan, Turkmenistan and Uzbekistan (from "partly free" to "not free").

24. Mali moved up into the "free" category and Burkina Faso, Burundi, Ghana, Guinea, Kenya, Seychelles and Tanzania moved up into the "partly free" category.

25. Burma, China, Cuba, Haiti, Iraq, North Korea, Saudi Arabia, Syria, Vietnam.

Table 1: Africa: Civil Liberties and Political Rights, 1988-1992

(on a scale of 1 to 7, with 1 = "most free" and 7 = "least free"*)

	Civil Liberties			Political Rights		
	1988	1992	Change (+ = gain) (- = loss)	1988	1992	Change
Algeria	6	6		6	7	-
Angola	7	5	+	7	6	+
Benin	7	3	+	7	2	+
Botswana	3	2	+	1	1	
Burkina Faso	6	5	+	7	5	+
Burundi	6	5	+	7	6	+
Cameroon	6	5	+	6	6	
Cape Verde	6	2	+	5	1	+
C.A.R.	6	5	+	6	6	
Chad	7	6	+	6	6	
Comoros	6	2	+	6	4	+
Congo	6	3	+	7	3	+
Djibouti	6	6		6	6	
Egypt	4	6	-	5	5	
Eq. Guinea	7	6	+	7	7	
Ethiopia	7	4	+	7	6	+
Gabon	6	4	+	6	4	+
Gambia	3	2	+	3	1	+
Ghana	6	5	+	6	5	+
Guinea	6	5	+	7	6	+
Guinea-Bissau	7	5	+	6	6	
Ivory Coast	6	4	+	6	5	+
Kenya	6	5	+	6	5	+
Lesotho	6	4	+	6	6	
Liberia	5	6	-	6	7	-
Libya	6	7	-	6	7	-

*Source: Freedom House, Comparative Survey of Freedom, 1990 and 1993

Table 1 (cont.)

		Civil Liberties			Political Rights		
		1988	1992	Change	1988	1992	Change
Madagascar		5	4	+	5	4	+
Malawi		7	7		6	7	-
Mali		6	3	+	6	2	+
Mauritania		6	6		7	7	
Mauritius		2	2		2	2	
Morocco		5	5		4	6	-
Mozambique		7	4	+	7	6	+
Namibia		3	2	+	4	2	+
Niger		6	4	+	7	5	+
Nigeria		4	4		5	5	
Rwanda		6	5	+	6	6	
Sao Tome		5	3	+	6	2	+
Senegal		4	3	+	3	4	-
Seychelles		6	4	+	6	6	
S. Leone		5	6	-	5	7	-
Somalia		7	7		7	7	
S. Africa		6	4	+	5	5	
Sudan		5	7	-	4	7	-
Swaziland		6	5	+	5	6	-
Tanzania		6	5	+	6	6	
Togo		6	5	+	6	6	
Tunisia		5	5		6	6	
Uganda		4	5	-	5	6	-
Zaire		7	5	+	6	6	
Zambia		5	3	+	6	2	+
Zimbabwe		6	4	+	4	5	-
Summary							
Mean		5.63	4.52		5.63	5.04	
Standard deviation		1.17	1.41		1.31	1.80	
"Least free" (6,7)	N =	36	12		36	29	
"Most free" (1,2)	N =	1	6		2	9	
Gainers	N =			37			21
Losers	N =			6			11

Table 2: Africa, Presidential Elections, 1990-1993

Country	Date	Free and Fair?	Incumbent Ousted?	Loser Accepts?
Cote d'Ivoire	Oct 1990	Yes?	No	No
Gabon	Oct 1990	No	No	No
Sao Tome	Jan 1991	Yes	Yes	Yes*
Cape Verde	Feb 1991	Yes	Yes	Yes*
Comoros	Mar 1991	-	No	No
Benin	Mar 1991	Yes	Yes	Yes*
Zambia	Oct 1991	Yes	Yes	Yes*
Mauritania	Jan 1992	No	No	No
Mali	Apr 1992	Yes	Yes?	Yes*
Congo	Aug 1992	Yes	Yes	Yes*
Angola	Sep 1992	Yes	No	No
C.A.R.	Oct 1992	No	No	No
Cameroon	Oct 1992	No	No	No
Ghana	Nov 1992	Yes?	No	No
Kenya	Dec 1992	No	No	No
Senegal	Feb 1993	Yes?	No	No
Madagascar	Feb 1993	Yes	Yes	Yes*
Niger	Mar 1993	Yes	Yes?	Yes*
Summary	Yes	9	6	8*
	Yes?	3	2	0
	No	5	10	10

Table 3: Africa, Forthcoming Votes, 1993
(as at April 1993)

Eritrea	April	Referendum
CAR	April 18 May 2	Presidential Parliamentary
Nigeria	June 11	Presidential
Malawi	June 14	Referendum
Burundi	June	Presidential Parliamentary
Lesotho	June	Presidential Parliamentary
Mozambique	by October	
Guinea-Bissau	during 1993	
Gabon	during 1993	
South Africa	by early 1994	Constitutional Assembly

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For Session I
April 14, 1993
9:00 AM

"AN AMBIGUOUS ADVENTURE"
TRANSITIONS FROM AUTHORITARIAN RULE AND ECONOMIC REFORMS IN AFRICA

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In the past three years military and civilian authoritarian regimes in Africa have embarked in processes of liberalization and democratization.

As in past scenarios, the ongoing political changes are partly a result of external pressure. But, looking back to 30 years of independence, and contrary to the previous praetorian and elitist modes of political changes of the 60's and 70's (more or less bloody coups d'Etat, palace revolutions, arranged successions), the most striking and significant feature of the current political transitions, is the broad involvement of the masses. For the very first time since the nationalist movements, urban masses, and other groups whose levels of participation in formal politics were limited, have taken to the streets, as witnessed by social movements on large scale in many African countries. They did so because the rulers have failed to achieve the very goals they put forth to justify the imposition of authoritarian rule--national unity and economic development.

In countries like Gabon and Côte d'Ivoire, which were the first to restore multipartism, protest movements started as economic protests. The passage to politics, however, intervened rather quickly. Thus the political transitions are linked to the worsening of the economic crises that plagued African countries since the 70's.

For donors countries and multilateral organizations emphasizing good governance and advocating the return to market-economy, the social movements were not IMF and World Bank riots. They were directed against the authoritarian rulers and their inefficient policies. The assumption was made that a higher level of participation in the political process would make their strong economic medicine acceptable to the masses. For them, political reform and economic restructuring would be complementary, for they believed that fundamental changes in the ways in which African countries are ruled are preconditions for the betterment of the economic situation and a sustainable development.

In Africa, the intellectual community, the political contenders, democratizers in leading civic organizations, and economic actors, have endorsed, internalized, and publicized this interpretation. The idea that democracy is a prerequisite for economic development can have very far reaching implication, for the very reasons that make democracy desired (Levine, 1987; Shepherd, 1992). It is already at the origins of a revolution of rising expectations, and could, within a very short time, could lead to "rising frustrations produced by the inability to meet them (Oberschall, 1969, 5).

The international community and African democratizers alike, by asserting the idea that political reforms, i.e. democracy and good governance, will create in a near future an enabling environment for economic growth and sustainable development, have also definitely agreed on the idea that "good things go together", (the bread and the ballot), and that Africa can do more than "one thing at time" (Hirschman, 1958, 1984, 1990). This involves the belief that much-needed and desirable political reforms and efforts to sustain economic restructuring and recovery can be successfully achieved under harsh economic conditions.

Experience in other parts of the world especially in Latin America in the 80's, places these beliefs in serious question. First, it reveals that "circumstances that favor regime emergence are not necessarily conducive to regime consolidation" (Remmer, 1986, 1). Next, it suggests that "economic growth creates conditions conducive to political compromise, but when the economic pie is shrinking conflict and opposition tend to mount" (Remmer, 1986, 1).

The social, economic and political situation in countries like Congo, Mali, and Benin, which have successfully achieved their transition in the last two years, as well as the state of anarchy in Zaïre and the latent civil war in Togo are indicative of the fact that the economic crises, which undermined authoritarian regimes, are reducing the prospects for the consolidation of the enabling environment.

For African countries facing the problem of mere survival, impiementing political and market-oriented reforms at the same time seems to be a plunge in the unknown (Przeworski, 1991, 138-139)--an "Ambiguous Adventure", to quote Cheick Hamidou Kane. The key question is: Does regime type matter for economic performance?

The poor economic performances of 30 years of authoritarian rule in Africa speak for themselves. But would countries like Cameroon, Côte d'Ivoire, Gabon and Kenya, not so long ago success stories and showcases of the capitalist West influence, have performed better if they were better governed?

The answer to this question will be developed in three phases. First, the developmental potentials of African authoritarianism must be assessed. Second, the logic of the ways in which transitions from authoritarian rule have occurred, will be developed, because the modes of transition could have had a determining impact on the creation of the enabling environment. Third, the critical areas of the economic policy-making and the development management that might and could have been affected by the political liberalization and democratization will be briefly reviewed.

THE ECONOMIC DYNAMICS OF AFRICAN AUTHORITARIANISM

The rates of growth and the performances of African economies from the time of independence and the evils that plagued the societies are too well known, to be listed here. The problem is all about the linkage between these poor performances and authoritarianism. Oppressive political regimes are not condemned ipso facto to economic stagnation and deterioration as evidenced by the fact that some autocratic governments in South East Asia, or Chili, have been economically efficient and market-oriented.

This illustration of the non-automatic relationships between type of regime and economic performances can lead one to think that the economic decay in Africa is not related to the failure of public institutions, but is rooted in the long history of dependence and backwardness of the continent (Coquery-Vidrovitch, 1985). Nonetheless, the evidence cited above of weak economic performances, as well as the African "failure complex", also termed "Afro pessimism", are closely related to the political economy of African authoritarianism. In other words the dramatic economic situation in Africa was quite predictable because of the primacy of politics, the consecutive logic of state intervention and the economic costs of the type of rule developed.

A) "SEEK YOU FIRST THE POLITICAL KINGDOM..."

The biblical parable used by Kwame N'Krumah to assert the order of priorities expected of a nationalist movement, the prevalence of political freedom over economic achievement, was contrary to the choice made by Houphouët-Boigny next door (Berg, 1971; Zolberg, 1964, 149-182). But this order of priorities, after having structured the relationships between Africans and their colonizers, also established the order of priorities for colonized and structured their relationships.

The modest origins of the leaders, the lack of resources or the context of "missing bourgeoisie", (in Côte d'Ivoire as well as in Ghana), almost everywhere, made the search for "political kingdom"--meaning the political position--a necessary priority, in order to get access to economic resources. It determined the behaviors of African office holders, analyzed and characterized in the literature as predatory, rent-seeking, prebendal, patrimonial or neo-patrimonial (Bayart, 1989; Crook, 1989; Joseph, 1983, 1987; Médard, 1982, 1991).

The primacy of politics thus meant that the relationship to power or the distance from it became an important structuring and discriminating social characteristic, for, as the independent state became the prime instrument for economic development, access to the political elite meant access to economic resources.

B) THE LOGIC OF STATE INTERVENTION

State intervention in economy in Africa was likely, because of the lack of domestic capital and investors. The paradigmatic form of state intervention has been the development of state-owned enterprises which started right after independence. This led throughout Africa to the constitution of "a command model" economy. The proliferation of parastatals and their key economic roles have had nothing to do with ideology, for capitalists states such as Côte D'Ivoire, and Kenya tended to have more public enterprises than avowed Marxist-Leninist countries like Benin or Ethiopia, or socialist like Tanzania or Mali (Constantin et al., 1979; Dutheil de la Rochère, 1976; Hyden, 1983; Nellis, 1986; Short, 1984).

The inefficiency of the economy was not caused by the very nature of state capitalism or public ownership of enterprises, as evidenced by what has been called the "miracle ivoirien" and the rates of growth in Cameroon, Gabon and Kenya in the 60's and 70's. The context of "missing bourgeoisie" or the fact that political power and wealth coincide, do not explain very well the poor performances, as similar historical experiences exist.

Instead, economic failure derives in large part from the intrinsic characteristics of authoritarian rule. It is the natural outcome of politics, of the ways in which rulers related to their constituencies in Africa since independence, and the exponential cost of the politics of distribution which has been detrimental to the productive activities in structurally constrained economies.

C) THE ECONOMIC COSTS OF NON-DEMOCRATIC RULE

However independence was achieved (negotiation or war of liberation), different patterns of one-party regimes ranging from coercion to electoral victory of a dominant party (Collier, 1982, 99-117), have shrunk the political arenas, (Kasfir, 1976) and led to disenchantment (Béji, 1982). After having succeeded in building a "command model" in politics, African leaders were left with one important issue--to garner the support needed to remain in power.

To do so in the framework of a weak one-party system meant pursuing one of two options--elite "self-aggrandizement," or the development of webs of patron-client relations and politics of distribution.

The lucrative and attractive characteristics of political careers, fostered a proliferation of political entrepreneurs, with parochial bases. To buy ethnic peace it was necessary to coopt into the political elite representatives of key ethnic or social groups (Youth, Women, Military, Civil servants). This practice was supported, in part, by the multiplication of parastatals whose functions were more social and political than economic (Constantin et al., 1979).

The inflation of demands since independence (the dependence on the state for education, health care, school tuitions, jobs and other primary needs), and their management necessitated the development of clientelist networks and systems of patronage (Clapham, 1982; Médard, 1982), and the expansion of resources and their distribution.

The costs of political stability in this context have therefore been much higher than in developed countries (Olson, 1982). Economic inefficiency naturally results from the attempt to match the politics of distribution with the continuous sophistication of "ethnic arithmetic" in order to avoid divisive tendencies. "Welfare authoritarianism" in Africa was self-destructive, for here, the limits of growth in Hirsh's argument (Hirsch, 1976) are not only social, the unhappiness of those supposed to benefit from the expansion of state expenditures, they are technical or structural. Given the structures of the economies, and their dependence to foreign capitals and markets, it is difficult to increase social spending as well as develop prebendal and rent-seeking activities beyond certain point.

Benin is a good case in point. From 1972 to 1989 it was able to maintain political stability, paradoxically under a Marxist-Leninist regime which have profited from the oil boom in Nigeria for the renewal and aggrandizement of its state elite. But Côte d'Ivoire is an even better illustration. By the end of the 1970's "the political formula" to use Zolberg's word (Zolberg, 1971, 12-15) had reached its extreme limits (Gouffern, 1982), and the "money deposits" were exhausted. What constituted the "miracle" or "mirage", were not the rates of growth. The real miracle was why how the system lasted as long as it did. These two examples are indicative of the high economic costs of political stability in non-democratic systems, and of their self-destructive logic linked to the prevalence of the politics of distribution over that of production.

Some other characteristics of authoritarian rule have contributed to the economic inefficiency by inhibiting or discouraging productive private and individual initiatives and activities. Concentration of power, which is logical and inevitable within the political or economic command model because of the necessity of the control of the important activities by the leaders, results in slow and inefficient administration. The absence of transparency in the decision-making process, related to the absence of rule of the law, has led to arbitrary and unpredictable decisions, abuses of power, human rights violations. The lack of accountability of the leaders, even to their own ethnic constituencies, has often resulted in economic policies unresponsive to popular demands.

Because African authoritarian rule emphasized the prevalence of distribution over accumulation and production it was inevitably self-destructive, doomed to inefficiency and failure in the long run. As African states move toward pluralism and democracy some these intrinsic flaws should be suppressed or reversed permitting movement toward creating an enabling environment for economic recovery.

THE LOGIC OF POLITICAL TRANSITION

The current political reforms in Africa, welcomed and supported by the international community, are all about creating or reconstructing public institutions which collapsed under authoritarianism, or about generating the political preconditions for economic recovery and growth. Thus, the ways in which these political changes have occurred could be very decisive.

The mode of transition from authoritarian rule is assumed to determine the type of democracy which will emerge and has long-range consequences for different social groups (Karl and Schmitter, 1991, 269). Both the aftermath of "Sovereign National Conferences" in Togo and Zaïre, and of pluralist and competitive elections in Cameroon, Congo, Côte d'Ivoire, Kenya, etc., reveal that "nascent democracies can be scarred with accidental but lasting 'birth defects'" (Karl and Schmitter, 1991, 273). Indeed, the mode of transition through the social movements which led to the shift away from authoritarian rule, can be a good indication of the levels of participation, and an illustration of the conception and perception of the new principle of political legitimacy shared by social actors which could have a determining impact on its successful implementation. This participation could be important in order to make painful economic decisions acceptable.

As Dankwart Rustow puts it, "The genesis of democracy need not be geographically uniform: there may be many roads to democracy" (Rustow, 1970, 346). These roads can be ordered in four ideal-types modes of transition, among which African experiences will be distributed.

A) PACT, IMPOSITION, REFORM, REVOLUTION

Everywhere the genesis of democratic rule can be traced to contradictory movements combining pressure from below for the extension of political rights of the masses and resistance from elites at the top (Hermet, 1983). Within this general framework African countries have followed different roads. Obviously, however, these roads were not fully independence one from another. Successful experiences like the "National Conference" in Benin served as models for late-comers who learned from their predecessors. Nonetheless in Africa, as in Eastern Europe or Latin America, these roads can be clustered into a limited number of "modes of transition" (Karl and Schmitter, 1991, 269).

Broadly speaking these modes are:

- -- Pact, (Spain, Uruguay), when elites agree upon a multilateral compromise among themselves;
- -- Imposition, (Bulgaria, Turkey), when elites use force unilaterally and effectively to bring about a regime change against the resistance of incumbents;
- -- Reform, (Poland, Czechoslovakia, Yugoslavia), when masses mobilize from below and impose a compromised outcome without resorting to violence;
- -- and Revolution, (Mexico, Cuba, USSR), when masses rise up in arms and defeat the previous authoritarian rulers militarily, (Karl and Schmitter, 1991, 275).

A number of mixed types lying between these extremes are also possible.

What have been the concrete modes of transition in Africa? How are they distributed between the four ideal-types? What have the consequences of each type of transition been? The aim of this analysis is to highlight the level of the involvement of the masses in bringing about the political change, assuming that the larger the number of people committed to it, the better the chances of its successful outcome.

B) THE AFRICAN WAYS

It seems useful to approach the issue of mass participation in political change over a long period of time, as some lessons could be learned from past experiences. Thus, since colonial times there are three distinct "moments" of political change: the independence era, the post-1963 era of Military coups d'état, and the era of the emergence of civil societies in the 1990's. Each of these moments has had distinct characteristics on the basis of the role played by domestic or external factors, and the variation in actors (masses and elites) involvement in the process of political change.

Assuming that the role played by external factors has remained at the same high level since independence, the first and third phases have been characterized by a high level of participation of the masses, while the second phase, was marked by a more praetorian and elitist modes of political transition.

1. Praetorian and elitist modes of transition

Starting from January 1963 in Togo, the military coups d'état constitute the main form of imposition of political change until 1990. This mode of transition is characterized by the lack of participation of the population even if in some cases like Congo and Dahomey-Benin in 1963 military intervention was preceded by massive social movements. The diffusion effects which propagated military rule all over Africa from the mid 1960's on highlighted the lack of societal support and the notorious lack of the participation in the first post-independence political changes. These changes resulted in authoritarian or dictatorial rule.

During the same period (1963-1990) the experiences of return to pluralism, whether through semi-competitive elections (Cameroon, 1987; Côte d'Ivoire, 1980; Kenya, 1969; Mali, 1985; Tanzania, 1965; Togo, 1985; Uganda, 1973; Zambia, 1973), limited multipartyism (Senegal, 1976; Upper Volta 1978), or formally fullfledged multiparty systems (Central African Republic, 1980; Ghana, 1969, 1979; Nigeria, 1979; Uganda, 1980) failed to develop into fullblown democracies. Instead these transitions have been the outcomes of compromises within the elite, or resulted from foreign intervention (Central African Republic, 1980; Uganda, 1980). Thus, elites were the main actors of the modes of transition (pact and imposition) during the first 30 years of independence. The lack of societal support and commitment of the masses are part of the explanation of the failure of these political experiences. The independence movement and the ongoing shift away from authoritarianism have, to the contrary, benefited from popular support.

2. Between pacts and reform: the emergence of civil societies

The characterization of the movement of political renewal in today's Africa as a "second independence" suggests the idea of a tempting, too easy but only symbolic comparison between the nationalist movements of the pre-independence era and the recent social movements which led to the breakdown of authoritarian regimes. Indeed, if popular support is the common denominator, the recent social movements did not compare to the scope of the nationalist movements. The latter have been more largely urban based, lacking not only resources and organization, but also the sense of a common enemy represented by the colonizer and which brought together ethnic and social groups with different interests and goals. It is not yet sure that the democratic movement, because it has been less intense and long will mark the collective memory as did the anti-colonial struggle. Moreover, the fate of the "first independence" in relation to its authoritarian aftermath in most of the cases, should suggest caution in comparing the two.

As a specific mode of political transition, independence took two distinct forms: independence through transaction or negotiation with the colonizer, and independence through war (Algeria, the former Portuguese colonies, Namibia and Zimbabwe). If the leadership of the educated elite has been decisive, the scope of the nationalist movements has varied with the degree of commitment of the masses, with the war as best symbol of their involvement in Algeria, Namibia, Zimbabwe and the former Portuguese colonies. For the rest in the British and French territories, anti-colonial struggles started, with violence and sometimes almost reached the level of war or revolution (Cameroon, Côte d'Ivoire, Kenya, Malagasy Republic) but ended up as a pact with the colonial powers.

Except for Botswana, Gambia and Mauritius, (it is too early for Namibia), the main lesson to be learned here is the fact that the ways in which African countries became independent have had little impact on the survival and consolidation of the democratic institutions inherited from the Europeans. However, the modes of transition of the former colonies to political freedom does seem significantly related to the ways African regimes have been undergoing transition from authoritarian rule recently.

Conventional wisdom opposes pits the eight French-speaking countries who have gone through a " Sovereign National Conference" (SNC) as a road to democracy, to the other countries that did not take this route. For many analysts, (Banock, 1993; Eboussi Boulaga, 1993; Tedga 1991), because of its legality, representativeness and legitimacy, the SNC is the best expression or the symbol of the emergence or resurrection of African civil societies. Therefore, the transitions in these countries are thought to be society-led, while for the rest of Africa which is undergoing liberalization or democratization the transitions seem to be guided or based on pacts.

In fact, with few exceptions all the recent modes of transition fall between "Reform" and "Pact." They have started with, and have experienced various degree of violence illustrative of the level of mobilization of the masses and the pressures from below, which led to a compromised outcome, SNC or elections, an indication of the fact that the elites of the Ancien régime were at some point still in control. The exceptions are the Malian mode which can be classified "Revolution," and the cases of Cape Verde, Sao Tome and Principe and Tanzania which all appear as pacted.

Hence, the SNC is not a good indicator of a society-led transition, first because, while, with the possible exception of Gabon, the legality of the SNC has never been in question, from Benin (March 1990) to Chad (April 1993), its representativeness and legitimacy have been a real issues (Zaïre is a case in point here). Close analysis of the participants reveals that urban-based and educated elites were clearly over represented. The second reason is to be found in the intervening external factor in the invention of the SNC in Benin and its diffusion effects in Francophone Africa.

As for the majority of countries participating in this "Third wave" of democratization (Bruckner, 1990; Huntington, 1991; Revel 1992), the reasons to break away from authoritarian rule in Africa are predominantly internal. But, depending on the ways in which democratic institutions are exported in Africa, the outcome of the transition can be attributed to (Benin) or expected (Togo and Zaïre) from an hegemonic foreign power, even if all the options opened to the countries are not so controlled.

France because of her influence, has played a decisive role in the invention of the SNC, and in the outcome of the transition, even if internal actors went far beyond the incremental democratization suggested. By the same token, Benin is a poor example of the fate of democracy in a SNC-led transition, because of the uniqueness of the legacy of Kérékou's regime which could not be duplicated neither in Togo next door nor in Zaïre, thousands of miles away, as evidenced by the aftermath of the SNC in these two countries, as well as in Congo and Niger.

The main conclusion at this point is that if the recent modes of transition have been transparent to the commitment of the masses (or to the strength of civil societies) their lasting impact on the process of democratic consolidation will depend on the real nature of the social movements, which preceded, accompanied and followed the return to pluralism. Were they merely sharp and transient outbursts of social fever experienced by many countries from time to time? Or were they, to the contrary the expression of more fundamental and deep changes in societies--the beginning of what have been termed "new social movements", which, in developed countries have challenged the boundaries of politics (Dalton and Kuechler, 1990; Maier, 1987)? The inability of the unions, political parties, and civic organizations to integrate social movements at the apex of the social and political unrest in 1990 and 1991, led to excessive outbursts of violence in many countries. It is as illustrative of the fragility of these movements, as is the low electoral turnouts.

However, even if it is too early to draw conclusions for Africa about the type of democracies which will emerge from the modes of transition used, lessons from past experiences of transition in Europe and Latin America might not provide the ideological satisfaction expected by many African democratizers. If the experience of these continents is any guide revolutions, where authoritarian incumbents have removed by force and replaced by a new elite representing mass constituencies, have never resulted in a stable type of democracy. The same thing can be said of the transition by "reform". Finally, "the modes that have most often resulted in the implantation of some type of political democracy are transitions from above." In these cases, traditional rulers remain in control, even pressured from below, and successfully use strategies of either compromise, force, or some mix of the two, to retain at least part of their power" (Karl and Schmitter, 1991, 280).

The modes of transition in African countries and the logic of the democratization process, are not very telling about the type of democracy to come. Nonetheless, they do provide some insights about the actors involved, their conception and perception of democracy, their fears and high hopes and about the dynamics not only economic of the political reforms. After the 1990-1991 period of democratic romanticism, when authoritarian regimes were shaken by diverse social movements, military interventions starting in the fall of 1991, in Togo, Congo, Niger and Zaïre, announced the time of democratic disillusion. Since then, with the deterioration of the situation in Togo, Zaïre, and the outcomes of elections in Cameroon, analysts and social activists have been preoccupied by what they termed the tailing off of democratization, the regression to authoritarian rule.

In fact, the underlying conflicts of the democratic process which were hidden previously during the stage of the discussion of the principles (whether to accept democracy as the new principle of political legitimacy), are now openly played out, at the time of what Robert Dahl called the "democratic bargain" (agreement on the rules of the political game). Thus, the ongoing political conflicts in Africa are not surprising. Rather they reveal that democracy here, as elsewhere, is an outcome of conflicts, and what is really at stake.

THE ECONOMIC DYNAMICS OF POLITICAL REFORMS

A) DEMOCRACY AS AN OUTCOME OF CONFLICTS

The risk of violence and the potential for conflicts over democracy were high in Africa because of democracy's own characteristics, and because "the process of establishing a democracy is a process of institutionalizing uncertainty, of subjecting all interests to uncertainty" (Przeworki, 1986, 58).

Current political conflicts in some cases are close to civil war and anarchy (Zolberg, 1992). They are illustrative of the ways in which social actors, mainly the opponents, have sometimes tragically underestimated the dominant social and economic interests inherited from the authoritarian regime in their choices and strategies, through the various modes of transition. The underestimation of the impact of the military factor is obvious in the Togolese tragedy, for example (Huband, 1992, Karl and Schmitter, 1991, 272). In Cameroon, Côte d'Ivoire, Gabon, Kenya, etc. it is critical to understand the networks of the former ruling party officials and state managers, to comprehend the way the democratic process has unfolded.

These conflicts are also indicative of the ways in which democracy has been conceived and perceived just as an other mode of access to political position and economic resources, like the previous modes of political transition, (the military coups d'État), an other zero-sum game politics. Democracy has also been presented and perceived as a weapon in the hands of personal enemies of incumbent rulers or in the hands of the inhabitants of a particular region of the country or a specific ethnic group, against another region or ethnic group. Thus the political reforms are not thought as inclusionary. Democracy is not providing guarantees for the major social and political interests in the country. For the moment in Africa it seems that domestic democratizers and their foreign supporters have failed to constitute democracy as a "preferable and credible alternative" and this will be determining for what is at stake.

Indeed, maybe more than in the intrinsic characteristics of democracy as a new principle of political legitimacy, the potential for violence and conflicts lies partially in the social meaning of a political position which gives to the outcomes of the "founding elections", an unusual significance and dimension. The second source of violence which is strongly related to the former, is the fact that alternation in power, meaning the victory of the opposition and consequently the defeat of the incumbent political party (the former ruling party), is conceived as the criteria of the fairness of the electoral process and of the democratic nature of the new regime.

Since colonial times political careers have been attractive and lucrative and, together with education, have represented the principal source of social mobility and the main means of access to economic resources. Thus, and because of the more or less zero-sum game which have characterized authoritarian politics in many countries, any attempt to alter the distribution or redistribution of the political offices whether normal (congresses of the unique political parties, non-competitive or semi-competitive elections, government reshufflings, etc.) or abnormal (military coups d'État, palace revolutions) has great social significance and has a decisive impact on the social destiny of individuals and groups.

What is really at stake with the processes of liberalization and democratization goes far beyond the change in the rules of the political game--the mere adoption of a new principle of political legitimacy. Rather, it is the dramatic calling into question of the previous structures of patronage and rewards, allocation of resources, relations between politicians and their constituencies. Thus, there is more than power addiction behind the fact that Eyadema and Mobutu are playing the "comeback kids" in the post "National Conference" political life of their countries.

Beyond the fears (incumbents) and the hopes (opponents) vested rightly or wrongly in democracy lies the feeling that, more than previous political changes, democracy can fundamentally alter the existing structures of allocations of resources and rewards, and given the present economic conditions, this is a major issue.

If that is really the case the problem is how and why democracy is a preferable alternative to authoritarianism. In other words, will democracy breed prosperity, or will the much-needed political reforms hinder market-based economic reforms?

B) THE ECONOMIC CONSEQUENCES OF POLITICAL REFORMS

As stated above, there is no evidence of an automatic linkage between democracy and development, but the new system will be more productive and preserve in its distributional effects, the relative differences of the previous one. Despite its strengths, however, the new system has obvious weaknesses and limits which need to be emphasized.

1. An enabling environment ("Plus ça change...")

The old-age debate of whether democracy is prerequisite for, or a product of development (Karl, 1991; Lipset, 1959) is futile in Africa today. Africa has no choice but to engage simultaneously in a broad-based and sometime conflicting political and economic reforms. Hence the question is about the interaction between the two types of reforms, how they can mutually support one another.

Political reforms must be conceived as means to an end--social and economic development--and their chief objective is to facilitate the efficiency and effectiveness of government in achieving economic development. In other words, political reforms are aimed at improving "governance", defined as "the impartial, transparent management of public affairs through the generation of a regime (set of values) accepted as constituting legitimate authority, for the purpose of promoting and enhancing societal values that are sought by individuals and groups" (Charlick, 1992, 8). As such governance, presents the following characteristics: legitimacy of authority; accountability of politicians and civil servants; public responsiveness; transparency in government procedures; predictability in government behaviour and decisions; information openness in government transactions; rule of law; tolerance of other actors with a public character; public management effectiveness, (Charlick, 1992, 9-16; Wai, 1991, 3).

If governance, as characterized, is to create the enabling environment for economy recovery, how is it linked to economic development? In fact, each of the elements of governance delineated above can affect deeply many critical areas of economic decision-making and development management. Legitimate authority and public responsiveness for example, are "vital to public performance in producing and distributing societal sources, such as economic values, and in managing conflict which is inevitable among actors in any production and distribution process" (Charlick, 1991,8). Some of the critical dimensions that might be affected are the following: the size of government (civil service and parastals); the role of the state in the economy; the economic competence and effectiveness of government to meet public expectations; the instruments of government to promote development; the presence of creative and skilled leadership; and the legitimacy and representativeness of government (Wai, 1991,4).

Morever, if governance is to be democratic, political reforms will provide a better framework than authoritarianism (Remmer, 1986) for the implementation of market-oriented reforms, and the IMF and World Bank prescribed structural adjustments programs, because in the long term, their success will depend on the public support.

2. Democracy as an end in itself

The kind of automatic relationships that is made in Africa by some leading political activists between democracy and development can be dangerous when the expectations are not met. They can also be misleading diverting people away from the real reason why a democratic system is desirable.

Democracy may not bring prosperity at least in the short run, as examples in East Europe and the former USSR, and of some African countries (Congo, Côte d'Ivoire, Niger, Mali, etc.) show. But if democracy does not breed prosperity, prosperity can help breed democracy. A democratic system may not produce stability. In fact in the short run the transition from single party or military regime to democracy is likely to exacerbate political instability which is correlated with poor economic performance (Zolberg, 1992). These limits suggest that if democracy is desirable at all, it should not be for its developmental virtue, but for its own sake. It must be a goal to be striven for in and of itself, for as the Zambian Vice-President puts it, "The desire for freedom is inborn in all of us. There are fears that democracy won't bring growth, but I wouldn't swap it for anything else" (Shepherd, 1992, 30).

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For Session II
April 14, 1993
2:00 PM

POLITICAL LIBERALIZATION AND ECONOMIC POLICY REFORM IN AFRICA

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1. Introduction

This paper assesses the impact of political liberalization on economic reform processes in Sub-Saharan Africa. Since 1989, most of the authoritarian regimes in that continent have been rocked by popular protests and have as a result undertaken at least some political liberalization. According to Freedom House, civil liberties improved at least a little in 37 of the 52 countries in the region between 1988 and the end of 1992. One need not be sanguine about the sustainability or replicability elsewhere on the continent of the democratic breakthroughs that have taken place in countries like Benin and Zambia to believe that the last couple years have been watershed years in the political governance of most African states. In early 1993, Africa's political landscape has irrevocably changed.

Between 1980 and the end of 1991, 34 of those African nations had undertaken an economic adjustment program supported by the World Bank and the International Monetary Fund. Most remain today mired in an economic crisis and will continue to require external assistance to pursue economic reforms. What impact will these political changes have on the process of structural adjustment? Will political liberalization facilitate economic reform by improving the quality of governance and weakening the entrenched vested interests that were among the main obstacles to reform? Or, as is more often argued, will increases in political participation and competition make it even more difficult for governments to undertake the difficult economic reforms that are needed to achieve economic stabilization and structural adjustment?

This paper provides some tentative answers to these related questions. It does not assess the content of structural adjustment policies, even though the stability of the newly democratized regimes ultimately rests on their ability to improve upon the poor economic performance of their predecessors. In turn, this will depend on factors such as the suitability of structural adjustment policies to African economies, their access to international capital, and the health of the world economy. This paper can assess how policy processes will be affected by the new political circumstances, but it is important to realize at the outset that the economic outcomes in the present affect the politics in the future. This is an important caveat, given the uneven record of structural adjustment in Africa so far. The choices made today by these regimes will determine the set of choices available tomorrow. To cite just one example, the success or failure of structural adjustment to promote agriculture growth in the near future will at least partly determine whether or not the government can expect to gain the political support of farmer organizations in the medium term.

The paper is structured in the following way. The first two sections delineate the exact topic at hand. First, it is made clear that the focus is on countries that have already undergone political reform rather than on those currently involved in them. For the latter, economic reform is unlikely to progress. Second, a distinction is made between political liberalization and democratization and it is made clear that this paper emphasizes the impact of liberalization on economic reform rather than democratization, the experience of which remains circumscribed to a small number of African nations.

Having thus cleared the way, the third section characterizes recent political changes. The increase in political participation and the new tolerance for contestation is argued to result in the emergence of new actors and organizations in the public arena. Some of these new elites have actually stepped into positions of power and others have gained significant influence over public opinion. A fourth section tries to assess their economic ideas, to determine whether they are likely to be hostile to reform. A fifth section then evaluates how these new political dynamics and players are likely to affect the process of economic reform. The process of economic reform is subdivided into agenda setting, policy design and policy implementation. I argue that the impact is likely to be different at different stages and across different types of reform policies. A concluding section summarizes the argument and explores the implications for donors.

2. Political Instability and Economic Reform

The analysis below focuses principally on the ability of regimes to undertake structural adjustment *after* they have undergone political reform. I ask whether or not fully or partly democratic regimes are more or less likely to pursue economic policy reform than the authoritarian governments they replaced. It is a question open to different answers and judgments which I will explore below. Before addressing the prospects for the regimes that have evolved to a substantially higher degree of political pluralism, however, it is useful to briefly focus attention on the regimes currently undergoing political reform. Although political reform has already well advanced in many states and a few can claim to have achieved a full transition to parliamentary democracy, in many other states the process is still ongoing and its outcomes are uncertain. The process of political reform is almost certain to undermine economic growth and to have negative implications for the implementation of adjustment programs. The instability engendered by political change takes a heavy toll on the economy and on the government's economic management.

At one extreme, economic conditions have worsened dramatically and reform programs been completely abandoned in countries like Togo or Zaire where the political competition between government and opposition has degenerated to virtual civil war. Regardless of which side comes out on top, there is little doubt that these countries' current political instability will have had a disastrous economic impact, which may take years to overcome. In Zaire, in particular, the quality of governance has degenerated so drastically as a result of the instability of the last couple years that, if and when law and order is reestablished, it will take years to rebuild the state's basic administrative services and reinvigorate the economy.

Even if these extreme situations are excluded from the analysis, it seems clear that regimes currently undergoing political change will find it difficult to sustain the difficult effort needed to tackle economic stabilization, let alone the administrative capacity needed to implement long term structural adjustment programs. The economic crisis itself may worsen as strikes, demonstrations and repression undermine economic growth, scare potential investors and increase capital flight. Embattled governments lose their internal discipline and find it harder to prevent misappropriation, fraud and tax evasion by state agents themselves, as well as by citizens. The fiscal crisis will thus intensify further. Governments distracted by a rapidly evolving and volatile political situation are unlikely to concentrate adequate attention on issues of economic policy reform. Unpopular governments facing vocal opposition will hesitate to undertake reforms with few tangible benefits in the short run, and may indeed be tempted to rescind reform measures previously implemented or agreed to with the donors to buy time. For example, domestic politics appears to have motivated Kenya's President Moi's recent decision to annul key elements of the adjustment programs agreed to with the IMF and World Bank. During election campaigns, in particular, unpopular incumbents will find it particularly difficult to maintain fiscal discipline and resist the temptation to increase spending on behalf of key constituencies[1].

One should be particularly pessimistic about the economic prospects of regimes such as those in Cameroon, the Central African Republic, Zaire or Kenya, where an uneasy standstill prevails between a defiant but increasingly unpopular government and a fragmented and poorly organized opposition. In these countries a political crisis has now paralysed the country for several years, and a political denouement is not in sight. The longer the political crisis continues, the faster state capabilities will erode. It is hard to see how much if any progress can be accomplished on economic reform until the opposition and government come to some kind of understanding that is acceptable to the population. It is conceivable, arguably, that stabilization program targets for the balance of payments could be maintained despite the political instability, but it is almost certainly illusory to expect any progress on structural reforms, let alone the private sector "supply response" that has proven elusive in the best of times.

Thus, I argue that once an incumbent government is faced with popular pressures for political change it is unwilling to accommodate, it is unlikely to risk undertaking reform. That is not to say that a complete regime change is necessary before economic reform is possible, which will rather be determined by how much popular legitimacy the incumbent regime manages to retain during the period of political liberalization. The issue is not the greater or lesser-degree of political liberalization actually achieved, but rather the ability of the government to manage a process of political change without, first, undermining the internal discipline of the state and, second, arousing popular demands for further and more rapid political change. Thus, the Rawlings regime in Ghana, Mwinyi in Tanzania and arguably the Houphoët-Boigny regime in Ivory Coast have negotiated the limited political liberalizations of their regimes well enough to conserve the capacity to undertake economic reform today (On Ghana, See Herbst, 1992), while Biya in Cameroon or Eyadema in Togo have not.

[1] In Zambia, for example, Bratton (1992) shows well how "the UNIP government abandoned any pretence of further economic reform" (p.42) during the electoral campaign of October 1991. In particular, it increased public sector salaries by 85 % in 1990 and 100 % in 1991.

Any process of political change exacts a cost on the economy. That cost is probably positively correlated with the duration of the political transition. The longer it takes for the old regime to give way to the new, the greater the impact on the economy and state capabilities. The economic cost is also probably positively correlated with the violence of the transition. Thus, one would expect it to be highest in a country like Mali, where the transition was marked by a popular uprising, military repression and a violent coup d'Etat stretched out over some twenty months or so; and lowest in a country like Zambia where the transition was in comparison relatively peaceful and quick.

Once the political transition is complete, new leaders have to assume these economic costs, which may be substantial and render the economic choices to make even tougher than those faced by the old regime. The deterioration in state capabilities may be more difficult to overcome. Fortunately, new leaders will benefit from a grace period, during which they can blame the old regime for people's hardships and the need for tough reforms. The population will grant the new government at least the benefit of the doubt and accept further hardship. How long will this grace period last? The evidence from Zambia, where the Chiluba government has attempted to implement difficult structural adjustment reforms in its first year in office, suggests the grace period may be quite short: the first protests and industrial actions against civil service retrenchment and declining real wages took place within a year of his election to power.

Thus, at least in the short run, it seems virtually assured that political reform has a negative impact on the economy and on the implementation of structural adjustment programs. For the rest of this essay, it seems more useful, therefore, to focus on the more ambiguous longer run impact of political liberalization, once some kind of political stability has been restored after the reforms.

3. The Impact of Liberalization

As one surveys the African sub-continent, one can not help but be struck by the variety of national circumstances present there today. The degree of political reform already achieved and the current political situation vary enormously between countries, as does the severity of the economic crisis, rendering generalizations a thankless task. What does already seem certain however, is that with the exception of the states mired in civil war, African nations have virtually all undergone significant political liberalization, but fewer have undertaken real democratization. The distinction between democratization and political liberalization is useful here. Democratization can briefly be defined as the construction of democratic institutions such as free and fair elections or an independent judiciary. Given their structural characteristics, most academic observers agree that it will be difficult for many African nations to engage and sustain a successful transition to full parliamentary democracy (Huntington, 1984).

On the other hand, liberalization can be defined as the reform of authoritarianism and the extension of basic freedoms. Across a wide variety of African states, there has been significant liberalization in the last three years: the decline of human rights abuses, the rise of independent media, civic, functional and interest organizations, and the emergence of multi-party politics all attest to a new climate of pluralism. It is not inconceivable that incumbent regimes will eventually succeed in restoring the repressive politics of the past, but it is certainly unlikely that they will be able to do so quickly or easily, so great have attitudinal changes been both inside and outside of Africa.

This paper assesses the impact of political liberalization on economic reform processes, rather than the impact of democratization, although evidence is drawn from countries like Zambia and Benin which have undergone the full transition to parliamentary democracy. I recognized that the degree of liberalization that has occurred and is likely to be sustained varies across countries, but I argue that significant liberalization has occurred in virtually all countries, and that it possible to generalize about its impact on reform processes.

Political liberalization will alter African politics in several ways that are relevant to the process of economic policy making. I focus in particular on two of the most important probable changes, the rise in political participation and the increase in the transparency of policy making processes.

Political Participation: The rise of independent organizations and of a free press signals an increase in political participation. Authoritarian states try to channel and limit participation. Needless to say, African states have never been able to prevent participation completely, which has even flowered at times, in informal, parallel and subterranean arenas (Chazan and Rothchild, 1988). This has led observers to characterize the African state as authoritarian and weak at the same time (Callaghy, 1986). Government policy priorities and implementation in most African states have long been influenced and subverted by the actions of groups and individuals who lack formal representation in the political system but can take advantage of the state's weak capabilities and the clientelist networks that pervade the state apparatus to pursue individual and parochial interests. Indeed, the failure of economic reform is sometimes attributed to this type of informal participation. There is no reason to believe that political liberalization lessens this type of participation, for which there are longstanding traditions in Africa. The distinctive characteristic of the liberalized regime is, rather, the greater opportunities that come to exist to organize *publicly* against the policies and priorities of the state.

Now freed from state repression, organizations are likely to emerge to represent a wide variety of economic and social interests and they will seek to participate openly in the political arena on behalf of their members and of constituencies, whose influence on policies has been informal or indirect at best in recent years. In this respect, political liberalization will only accelerate a process already underway. The recent past has seen the flowering of societal organizations, encouraged by economic liberalization policies and the withdrawal of the state under fiscal pressures. Even before the current round of political liberalization, as state capabilities have been whittled away by the economic crisis, governments have grown more tolerant of non state actors in the policy realm. Official donors and western NGOs have moreover encouraged and helped finance many of them, as useful vehicles for various policy objectives (Atherton et al, 1992). This is particularly striking in the countryside, where marketing liberalization and the privatization or liquidation of various state services has allowed the emergence of a plethora of new types of village and farmer organizations and new forms of political action. In Senegal, for example, over 5,000 new village level economic organizations were created during the mid 1980s, in response to legislation by the government as part of its New Agricultural Policy (Ka and van de Walle, 1992)[2]. Some of these organizations were not initially independent of the state, but increasingly assert their interests once liberalization is underway.

These non-state organizations will now seek a more prominent role in decision making. They will be joined by opposition parties, unions, the press, professional and business associations, who will take advantage of the new climate of tolerance to attempt to influence government action and criticize official policies. Nonetheless, it is important not to overestimate the impact of liberalization. Most African states are evolving towards a level of political freedoms currently enjoyed in states like Senegal, Zimbabwe, Botswana or Gambia. The degree of popular political participation in economic policy making in these states gives an indication of what one can expect in the future in other nations. These states have a richer organizational life outside of the state than their more authoritarian neighbors. On the whole, however, there are few mass organizations, and policy making is still dominated by a small and privileged strata of the population, that continue to favor clientelist strategies. The labor movement suffers from the exiguity of the modern economy and a tradition of submission to the control of the dominant party. Rural organizations have begun to emerge and are developing some influence on local administrations, but with the partial exception of Zimbabwe, where they owe their strength partly to their origin as settler groups and long history (Bratton, 1987), rural organizations are small and fragmented and public policy remains characterized by *urban bias*. Finally, the media is rich and diverse, but it remains undercapitalized and its audience is mostly limited to the urban middle and upper classes.

If these countries are any indication, political liberalization in Sub-Saharan Africa will not necessarily result in a participatory explosion capable of destabilizing poorly institutionalized state structures, as has been argued in some quarters. Given the structure and dimensions of the economy and past political traditions, increases in political participation will be significant but limited, at least initially. Certain social actors will gain a greater voice than others. The civil service is one group, for example, which should benefit from liberalization. It is currently not well organized, yet relatively easy to organize as civil servants tend to be concentrated in the capital. I assess the implications for adjustment below.

Transparency: The transparency of governmental processes is almost certain to increase. The press will uncover scandals, various professional associations will advertise government lacuna and biases while more contentious opposition parties and legislatures will demand explanations and facts. Even donors are likely to have access to more information on policy processes and governmental malfeasance than in the past to use in their negotiations with the government.

The result can only be a more open decision making process, in which it is harder for the government to hide inconvenient facts, and policy makers must exert more effort to explain and justify policy choices. Government accountability should also increase. Even in a very imperfectly democratized country, a news story in the press about state corruption or incompetence embarrasses the government and forces it to respond in some way. The perceived costs of malfeasance inevitably rises for state actors.

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[2] See Widner (1990) for an interesting account of these dynamics in the Ivory Coast.

Again, however, one should not exaggerate the discontinuities liberalization will engender. Particularly in the economic realm, the technical nature of the issues will hamper a widespread public debate. The media will demonstrate a heartier appetite for large scale scandals than for in depth analyses of trade policy or agricultural subsidies. Governments will retain much of their previous capacity to limit public debate while neo-patrimonial practices will continue to exist, conspiring to limit transparency as much as possible.

In sum, even if one must not exaggerate the impact, liberalization will probably result in a more contentious and open policy making environment, in which a number of new political actors rise up to assert their preferences, contest and seek to influence government policy choices, and in which it is harder for the government to hide policy making processes from public view. How will the state respond? Two factors will in large part determine the tenor of the state's response. First, any state's ability to channel and respond to demands depends in large part on the strength of its institutions. Can administrative services adjust to constituency demands fairly and professionally? As the state opens up, can it withstand parochial demands? Finally, can the state mediate the social conflicts that may well increase in many countries. The fact that Africa's state institutions are notoriously weak and that they have further decayed because of the economic crisis these last years is obviously a cause for pessimism, when one considers the impact of political liberalization.

Secondly, the state's response will in part be determined by the degree of commitment it brings to the economic policies it has chosen. Governments that are united and firmly committed to the process of economic reform can choose from a wide variety of strategies, instruments and resources to maximize the prospects for the successful implementation of its policies (Nelson, 1984). On the other hand, governments which do not believe that reforms can restore economic growth, which are wedded to the present policy regime out of self interest, or which are fragmented and lack cohesion; these governments may well respond to even modest increases in political participation with the abandonment or delay of reform.

4. The Economic Ideas of African Democratic Forces

New political elites and opinion makers have begun to emerge from episodes of political liberalization and regime change. In a small number of countries like Zambia, Mali or Benin, new leaders have taken over the reins of power. In many more countries, leaders of opposition political parties have emerged to openly contest incumbents, or individuals have emerged to lead Church organizations, human rights groups, trade unions and the burgeoning independent media. The actual influence over policy making that these groups and individuals have varies widely across countries, but in most countries there is no denying that their influence over public opinion has dramatically increased, or that the impact of public opinion on state officials has increased.

Before one can assess the impact of these new elites on economic reform, it is necessary to establish whether they have economic ideas that are distinctive or new. The conventional wisdom tends to view them as ideologically hostile to structural adjustment and economic liberalization, but the reality is probably more complicated. It is true that African elites may not yet uncritically accept the economic prescriptions that have emanated from the two Washington institutions, and that in some cases blame them for the aggravation of the economic crisis in recent years[3]. Moreover, the political protests that emerged in 1989 often had their origins in economic protests before they gathered strength and became more overtly political (Bratton and van de Walle, 1992). Trade union organizations and student groups came to prominence in states such as Ivory Coast or Congo by protesting the austerity governments imposed as part of stabilization packages, and represented constituencies that were likely to be relative losers of economic liberalization, at least in the short to medium run. Indeed, the conventional wisdom rests on the view that political liberalization is likely to empower urban middle class groups that stand to lose the most from reforms such as devaluation, the end of consumer subsidies and civil service reform. Rural groups have on the other hand not usually played an important role in the democratization movement[4].

Nonetheless, several factors should temper this assessment. First, most African elites have come to accept the need for significant economic reform as a prerequisite for renewed economic growth. Even if economic austerity is never popular and specific episodes of trade liberalization, say, or of devaluation are criticized, there is today a fairly broad consensus around a package of economic reform that includes policies such as privatization and less intervention of the state in the economy.

In several African countries, opposition policy statements have suggested they might be more committed to economic liberalization than the incumbent governments they are contesting, even when they criticize ongoing economic liberalization efforts. Thus, opposition leaders like Abdoulaye Wade in Senegal, Kenneth Matiba in Kenya, or John Fru Ndi in Cameroon, have all at one point or another indicated they recognize the need for economic liberalization and a larger role for the private sector.

Opposition politicians in Senegal, Cameroon and Ivory Coast have all in the recent past indicated support for at least considering devaluation of the CFA franc. Public opinion in these countries probably remains hostile to a parity change, but there can be little doubt that political liberalization has effectively put the issue on the public agenda for the first time. Opposition politicians, already without the support of the French government, have proved more willing to put the currency issue on the policy table. Once a strictly taboo subject in these countries, devaluation is now openly entertained as a possibility for the future.

The groups that have competed for power and in some cases ousted incumbent regimes are heterogeneous coalitions, composed of human rights groups, intellectuals, good government reformers, white collar unions, businessmen and disgruntled politicians from the old regime. These coalitions may well share a desire for political change, but they do not necessarily share a common policy stance on specific issues of economic reform. Elements of these political coalitions favor economic liberalization. In countries like Cameroon and Kenya, significant elements of the business community have opposed incumbent governments for example. The reform coalition in most countries has also included private sector professionals, such as lawyers and doctors, who strongly support at least some of the elements of the adjustment policy package.

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[3] Their skepticism about the standard reform prescription is indeed widely shared in the west.

[4] Mali appears to be a partial exception to this generalization.

The recent growth of independent farmer organizations in may result in a more significant political voice for the countryside in a number of countries, particularly those where political liberalization results in meaningful electoral contests. It has often been pointed out that farmers are a constituency that is likely to benefit from structural adjustment, so that farmer organizations could ultimately be a critical component of an "adjustment coalition". Yet, rural support for adjustment has been disappointing, in part due to the weight of the state's past record of paternalism and authoritarianism in the countryside, the inability of economic reform to alter farmer incentives[5] and the absence of strong farmer organizations[6]. Nonetheless, farmer organizations have gained strength in the recent past, and could provide non-negligible support to a government committed to adjustment.

Second, reform coalitions have been united by their opposition to government corruption and incompetence. These groups share a belief in the need for greater state transparency and accountability, as well as the impartial rule of law; This agenda of governance reform is shared by the donors and is widely viewed as a *sine qua non* of successful adjustment. The current attitudes towards government corruption of opposition groups may well be partly self serving or even insincere; after all, these groups often include politicians who once belonged to the governments now being branded as corrupt. Nonetheless, the current discourse against corruption does reflect the fact that many of these groups represent constituencies that have not been beneficiaries of government largesse in the recent past, and who therefore have less of an interest in the maintenance of current patterns of government intervention in the economy. This suggests that some elements of the reform package may be more acceptable than others to the democratic coalition. It may be ambivalent or opposed to devaluation or trade reform, but more supportive of domestic regulatory and price reform. Implementation of the latter, alongside of various governance reforms, can provide the economy with a significant boost.

Third, public sector groups likely to oppose adjustment include formal sector labor and students, since their purchasing power will be undermined by cuts in governmental expenditures. They have often spearheaded the protests against incumbent governments, but these groups lack the organizational strength and cohesion to play a significant role in the latter stages of liberalization and democratization. Student organizations are weak and fragmented and rarely extend their reach beyond campuses in a handful of cities. The historical weakness of the industrial sector and government strategies of coaptation and emasculation have conspired to prevent the emergence of strong national labor organizations, in most countries of Sub-Saharan Africa. The strongest union federations on the continent, notably those in Zambia or more problematically in Congo and Senegal, are probably weaker than those present elsewhere in the Third World and certainly can not be compared to organized labor in the industrial countries. Moreover, labor may be divided on issues of economic reform. Workers in the private sector may welcome privatization reform, for example, while their peers in the parastatal sector may oppose it.

[5] This has been particularly true in the Franc Zone, where the overvaluation of the CFA franc continues to undermine rural terms of trade.

[6] See Herbst, (1992, pp. 76-94) for an enlightening discussion of these issues as they relate to Ghana. See Ka and van de Walle (1992) on Senegal, and Widner (1990) on Ivory Coast.

The potential for the civil service to develop its political power is high, but remains unrealized, again with the partial exceptions of Zambia, Senegal and Congo. Authoritarian governments usually repressed efforts to develop an independent civil service union movement, and today these remain at the incipient stage in most countries of the continent. As a result, while the civil service's ability to disrupt by resorting to strikes and demonstrations should not be underestimated, their organizational weakness is likely to continue to limit their clout within the opposition coalition.

If one believes that economic policy emerges directly from the economic interests of the dominant social coalition, then the social makeup of the pro-democratic forces suggests economic reform is in trouble. But the links between material interests, economic ideas and political influence are rarely simple. It is not only that interests have to be successfully organized to gain influence in the political arena, and that there are serious constraints on the ability of actors to organize. In addition, the organizations that emerge to represent these interests develop interests and economic ideas of their own that are not fully faithful to those of their membership. To take only the most obvious example, labor union organizations need not faithfully represent the short term interests of labor. For example, President Chiluba of Zambia, a long standing union leader, has significantly speeded up the process of economic reform in that country since his victory at the polls in October 1991 in Zambia's first multi-party elections since the mid 1960s. The need for economic reform evidently became compelling to Chiluba and his advisers at some point despite the risks it posed vis a vis his social base. So even the elements of the new elite that represent constituencies most likely to lose (at least in the short run) from reform will not necessarily oppose economic reform. The force of economic ideas, to paraphrase Lord Keynes, should not be underestimated.

5. Economic Reform after Political Liberalization

Political liberalization thus grants new political actors influence over economic policy making. It also brings about significant increases in political participation, so that reform processes are likely to evolve in a different kind of environment than in the past. I now turn to the implications of these developments for adjustment. The analysis is necessarily somewhat speculative, given how little time has elapsed since the onset of political reform in most African states.

In political terms, structural adjustment is essentially a conservative phenomenon since it is designed to help specific regimes adapt to new economic conditions that threaten it. Political liberalization, on the other hand, is a progressive phenomenon, since it serves to increase the ability of those out of power to participate in politics and contest the government.

The conservative nature of adjustment is reflected in the largely non-participatory way in which it has been implemented by both the government and the donors. Africa's authoritarian governments have rarely tolerated meaningful public debate on economic policy issues, fearing that their own management of the economy would be challenged. For their part, the donor community and most western academics (Nelson, 1990; Haggard and Kaufman, 1991) have worried that extending political participation in the area of economic policy would limit the ability of government leaders to make the difficult and therefore necessarily unpopular decisions.

The objective, rather, has been to insulate apolitical decision makers from public opinion in special policy units and to support their reform efforts.

Ironically, virtually every study of the process of economic reform in Sub-Saharan Africa has nonetheless pointed to the absence of governmental "ownership" or commitment to the reform program as a significant factor undermining full implementation (See Mosley et al, the World Bank, 1988). Few African governments have been fully committed to the reform programs they have agreed to implement in exchange for debt rescheduling and new loans from the international aid agencies. Commitment has tended to be limited to the most technocratic elements in the higher echelons of the state apparatus, with the uneven and often halfhearted support of the political leadership. It has not been widely shared by the middle level state managers, or by the elements of the state that benefit the most from the rent seeking opportunities afforded by the status quo. Although this lack of commitment has often been explained in terms of the government's fear that reform implementation would be socially unpopular, it is now widely recognized that it is at least equally a result of the neo-patrimonial organization of African governments. African rulers are hesitant to undertake reform because they know that economic liberalization would undermine the clientelism and rent seeking on which much of their power rests.

The absence of government commitment to reform has been a favorite culprit in explanations of program failures in recent years, but few efforts have been made to increase governmental ownership of its own programs, beyond the occasional public relations effort. Nor has the donor community made a significant effort to encourage public debate of reform programs, which remains viewed as entirely a domestic matter for the government. Donor assessment of recipient country economic circumstances remain confidential, for example, as do all their negotiations with governments.

Political liberalization will almost certainly increase the degree of participation in the reform process, and will almost certainly decrease the degree of insulation in which policy makers operate. This will have both advantages and disadvantages. It is plausible to imagine that the early stages of the policy process will now become messier and more time consuming, as open decision making systems require more time to establish societal preferences and a greater degree of consensus is necessary before implementation can proceed. Old fears that popular opposition will now be expressed more aggressively and derail programs may well now be realized. There can be no denying that authoritarian regimes have a greater latitude in overcoming opposition than democratic ones. For donors used to a closed negotiation process with a small number of technocrats, the more open and slow process may prove frustrating.

At the same time, the old closed system had disadvantages that may now abate. First, a more open decision making process may well be less likely to result in the protection of privileges and entrenched interests within the state. If recent studies (the World Bank, 1992) are to be believed, the greater transparency and accountability of policy making processes will improve not only decision making but also economic efficiency and the operation of markets. Second, it is plausible to believe that once decisions are reached, they will have greater legitimacy than was the case in closed systems, since they will be the product of public debate and compromise. As a result, policies will garner greater support and implementation could well prove to be less problematic than in the past.

To examine these issues further, I now divide the process of economic reform into three distinct phases: the agenda setting phase, the policy design phase and the program implementation phase. The impact of political reforms is assessed for each of these different stages.

Agenda setting: The western donors have traditionally set the agenda on economic policy and reform issues, given the low level of state capabilities for policy analysis. In most African states, the donors, in particular the IMF and the World Bank, have been the first to anticipate and address economic problems. Recipient countries have on the whole remained reactive and passive, at least during the pre-implementation phase of the reform process (See Mosley et al. 1991). Government preferences have typically been asserted only during the implementation phase.

Political liberalization opens up the agenda setting process. The freer flow of information, and greater transparency of governmental processes in liberalized regimes are likely to prove advantageous on a number of different levels. First, there is the possibility that economic problems will be discerned earlier and domestic pressure will build up to address them earlier than was the case in the past. The preferences of the different political actors are almost sure to be revealed earlier in the policy cycle, while governments will lose at least some of their ability to hide emerging crises from public debate. Second, transparency will help donors improve their understanding of local political dynamics and the sources of opposition to their policies. Third, non state actors will provide a forum for public debate on policy. The university, the Chamber of Commerce, and the press will provide opportunities and public space for a discussion of government policies, which the government will no longer be able to monopolize.

The public debate will at least in part determine the legitimacy of the program that is eventually designed and implemented. The evidence from Nigeria, where such a public debate was conducted in the mid 1980s by the Babangida government, suggests that it can provide the government with some temporary breathing room as well as educating the public about the parameters of the crisis and the choices available to the nation. Faced with widespread opposition and the threat of a strike by the Nigeria Labour Congress if the IMF program was adopted, Babangida broke off talks with the IMF and called for a national debate on economic reform in September 1985 (Callaghy, 1990). Subsequently, the Babangida government was able to implement essentially the same reform program, but with minimal opposition, at least initially. The Nigerian case suggests that the role of public education is probably critical to garnering support for the program. Several field studies from other countries have revealed how poorly the average citizen understands economic policy issues[7], and suggest that rising the level of information available about fiscal and economic problems will help the program.

Will liberalization lead to a substantially different public agenda than at present? Several factors suggest not. First, as I discussed above, there is a growing consensus across Africa about the need for economic reform along the general lines of those advocated by the Washington institutions. The individuals, social groups and organizations that will gain in influence as a

[7] For example, evidence from Senegal is provided in Sommerville (1991) and for Zambia, in Bratton and Liatton-Katundu (1993).

result of liberalization are unlikely to have dramatically different economic agendas, since their economic ideas are similar to those of the old regimes. The debate today is more likely to concern such modalities of implementation as the timing and sequence of reform rather than the general orientation of the program. In the recent Senegalese and Kenyan elections, for example, the opposition called into question as much the government's competence to implement economic reform as the program itself. Other oppositions have focused their criticisms on government corruption.

Second, liberalization by itself does not improve analytical capabilities within the government, which is likely to remain the primary domestic agenda setter, and which will continue to rely extensively on the donors. As long as those capabilities remain low, donor influence on the agenda setting process will remain extensive. Political pluralism in Senegal or Botswana certainly did not undermine donor influence in the past, and the evidence from other regimes suggests, indeed, that their influence is on the rise today. International technocrats have returned to their countries to head governments in Cote d'Ivoire, Benin, and Gabon for example. The Cameroon government has resorted to several high profile French expatriates to rehabilitate the troubled state banking sector and the bankrupt national airline. The Chiluba government has broken with recent Zambian tradition by bringing a team of expatriate experts to advise it on economic policy making. More than political change, it is the level of state capabilities in the area of economic policy making that will determine the role of the government in agenda setting. One might add that the capability of non state actors to contribute to all but the least technical policy debates will be very limited.

On the other hand, there are also reasons to think at least part of the public agenda will change. It would be naive to believe that groups in society will not try to oppose government efforts to undermine their purchasing power. As discussed below, greater political participation will affect certain types of reform policies more than others. Here, the point to make is that agenda setting will become more participatory, albeit not dramatically so. Nonetheless, governments and donors will need to find ways of opening up the process in a way that results in a constructive debate about the nation's economic choices and the tradeoffs that are possible.

Policy Design: The agenda setting phase of the policy process is the stage at which general policy orientation and objectives are chosen by society. I have argued that liberalization will have a significant and not wholly positive impact at this stage. I now turn to the policy design phase, defined as the stage at which actual policy instruments and modalities are chosen. Here, I would argue, the impact of liberalization is almost certainly positive[8] because greater public debate will improve the design of policies by subjecting them to more careful scrutiny and criticism. Governments may not appreciate the latter and may argue that they serve to undermine state authority in the long run, but in the short run it will have the impact of improving performance.

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[8] I recognize nonetheless, that this positive assessment rests on a somewhat artificial distinction between the agenda setting and policy design phases of the policy process. In practice, the two phases are closely interrelated, with multiple feedback loops between them.

Will this result in significantly different policy design? I would argue that policies are likely to be better targeted, insofar as the target populations will increase their influence over policy during the design phase. This will have an impact on service provision, for example, where the top-down policy making approach has contributed to generally poor targeting.

It is useful to distinguish between "price-based" and "project-based" policy reforms[9]. By "price-based" policies, I mean reforms in which the government changes a basic price within the economy. Perhaps the most obvious price is the price of foreign exchange or the exchange rate, but others would include the interest rate and various fixed consumer prices. These policies have a wide but diffuse and often dispersed impact through out the economy. The impact is diffuse in the sense that no single large constituency will be strongly affected by a price change, even if many groups are mildly affected the impact on the macro-economy is significant. The impact is often dispersed in the sense that it spreads out across many sectors of the economy. Thus, even if these policy reforms have an initially contractionary impact on the economy, leading to some popular dissatisfaction and even spontaneous protests once they are implemented, no single constituency is likely to organize in opposition to the measures, particularly during the early phases of the policy cycle. For example, even though devaluation can have a dramatic impact on the economy, organized labor is unlikely to protest its implementation. In sum, it is difficult to believe that political liberalization will, *ceteris paribus*, result in a significant increase of organized opposition to these policies.

On the other hand, "project-based" policy reforms have a direct and often massive effect on specific groups, even if their total impact on the economy is limited, and their justification is largely budgetary. Their effect provides a greater incentives for individuals to organize against their implementation. These reforms include privatization and civil service reform as well as reform of various targeted subsidy programs, social services delivery systems. Reform is viewed as critical by the government because of the weight of these programs on the budget. In each case, reform directly affects a specific constituency in a negative way: salaries and benefits are cut, a social service is eliminated or its price is raised, through cost pricing, user fees and/or means testing. Privatization reforms have a direct and concentrated impact on the employees and managers of public enterprises, who are likely to be laid off or have their salaries and perks reduced. The reform agenda directed at civil servants invariably includes decreases in housing allowances, wage cuts, and pension reform.

Reform of "project-based" policies is harder for governments for three reasons. First, these policies have traditionally been useful to the state to garner political support because they provide divisible benefits and can be targeted much more precisely than "price based" policies (Bates, 1983). Second, moreover, they are hard to reform because their benefits are concentrated on a small group of people for whom they provide an appreciable benefit well worth fighting for. As a result, the beneficiaries have always opposed reform. Thus, organized labor is more likely to protest privatization than, say, a contraction in the money supply. Third, the implementation of these reforms takes longer and requires greater institutional capacity. Whereas a devaluation can be planned and implemented by a very small number of officials in

[9] This distinction is developed in another context by Bates (1988, pp. 122-130).

a weekend, privatization will involve large numbers of officials and will take months to be carried out. Organized opposition is more likely to emerge over those months.

I would argue that "price based" policies are always easier to implement than "project-based" policies, for many of the reasons above. However, in a liberalized regime, thanks to the more open decision making process and the increases in basic freedoms, opposition will be organized sooner and more aggressively than in the authoritarian regimes of the past. Rather than trying to sabotage the policy with uncoordinated and more or less spontaneous protests once implementation has begun, opponents will use their new organizational power and the influence of the media to attempt to influence decision makers and prevent full implementation. Their success will depend on their organizational strength, the alternatives for the state and the commitment of the state to reform. It is certainly not being suggested that these "project-based" policy reforms are impossible following political liberalization. Rather, "price-based" policy reform is likely to be relatively easier to accomplish and "project-based" policy reform relatively harder.

Program Implementation: It has traditionally been during the implementation phase of reform programs in less developed countries that opposition has been expressed most acutely. Rent-seekers and their allies within the state have worked to subvert full implementation, while spontaneous demonstrations and protests have scared the government into inaction or the recision of reforms. Political liberalization will have an effect on some of these areas but by no means on all of them. First, organized protests will be more likely to occur, as the full impact of the program becomes clear. Again, price-based policy reforms are less likely to result in organized protests than project-based policy reforms.

Second, one is tempted to argue that rent-seeking will decrease with the rise of participatory politics and governmental transparency, albeit the evidence from a country like Senegal suggests these practices can accommodate themselves to pluralism. On the other hand, there is no reason to think rent-seeking will increase, as the presence of a free press and of various civic associations may quell the worst abuses.

African governments have particularly feared the civil service during the implementation of adjustment programs. Highly concentrated in the capital, they are easy to organize and have the capacity to paralyze government if not the economy. Traditionally, governments have sought both to protect the civil service from the economic crisis and to prevent the emergence of an independent labor movement to represent it. They have not dared take on the civil service frontally during the adjustment period. That is not to say that civil servants' purchasing power has not declined during the adjustment process: in anglophone countries, other measures such as devaluation have served over time to cut the real wages of civil servants at least in half. But governments have been very wary to cut nominal salaries and benefits. Indeed, it was a government attempt to do so that launched the anti-government protests in the Ivory Coast in 1989.

If this assessment is correct, it suggests that political liberalization makes stabilization and structural adjustment without resorting to a devaluation even more difficult, with implications for the countries of the Franc Zone. The record is clear in Francophone African states such as Ivory Coast, Cameroon and Senegal: in the absence of devaluation, the government has to pursue a more contractionary approach to ensure stabilization, including a concerted attack on the nominal public sector wage bill. Otherwise, the real exchange rate will not return to an acceptable level. This, these governments have not been able or willing to do because of the opposition of the civil service, and after ten years of "adjustment", the CFA franc in these countries retains a level of overvaluation estimated at between 25 and 50 percent. With political liberalization and the freedom to organize, the power of the civil service can only increase, and render these policy reforms even less probable. Other governments, outside of the Franc Zone and not intent on protecting a fixed parity, can choose the devaluation instrument to pursue the same ends, and do not need to take on the civil service frontally. For the reasons just discussed, this is politically easier to do.

The analysis also suggests that in liberalized regimes, reform programs need to include more generous measures to compensate the victims of the adjustment process, including for example, anti-poverty measures and compensatory payments for laid off civil servants. Such offsetting measures have long been advocated as useful to the political management of the reform process (Nelson, 1984), but it seems to me they become more important for governments that can rely less on force and intimidation to push through their programs and more on persuasion and public education. The legitimacy of the reform program will depend on a popular perception of fairness.

6. Concluding Remarks

There can be little doubt that the current economic crisis threatens political stability and authority in Africa. The collapse of authoritarian regimes there suggests a deep and worrisome crisis of the state. The political structures that democratic forces are inheriting are thus weak and decaying at a time when a stronger and more effective state is vital to successful structural adjustment.

This crisis and the preceding analysis generates several implications for donors. First, and most generally, it suggests the need to focus on strengthening the state and enhancing its authority, since this remains a prerequisite for sustained economic growth. I have argued that political liberalization and political change in general holds real risks for state structures. If so, strengthening state institutions should be more than ever a priority for the donors. In addition, the rise in participation that is the main consequence of political liberalization will be less threatening to the state and to socio-political stability, the stronger and more institutionalized state structures are. Donors should particularly worry that the economic crisis not continue to erode the technical skills, organizational coherence and professional standards within the bureaucracy.

Political liberalization will almost certainly result in a more participatory policy process, which will take longer, proceed more chaotically, and in which it will be more difficult for donors to assert their own policy preferences. The Donors will have to finds way to respect the democratic nature of that process without further diluting conditionality. That may mean redirecting conditionality, away from a concern with specific economic targets and towards areas of governance. Donors have traditionally focused their conditionality on economic policy issues such as the money supply or tariff rates. They have not set conditions relating to the quality of governance, such as government corruption. Yet, following liberalization, there is a domestic consensus on the latter. Donors should take advantage of the opportunities provided by the present climate to make significant advances on governance issues, and be more tolerant of slippage on macro-economic targets, which participatory politics is bound to complicate. This would imply, for example, a much tougher attitude regarding corruption, the rule of law and the sanctity of property rights.

Finally, donors should also work to enhance the quality of the public debate to ensure that it addresses economic problems in a constructive way. Recent efforts to increase the state's economic planning and project analysis capabilities should be continued and even enhanced, although donors should no longer try to isolate these capabilities within the administration. In addition, donor efforts should also find ways to involve institutions outside of the state, such as the university and the media that have an important role to play in the dissemination of economic ideas, and in providing ideological support for new economic policies. It is important to promote public education about economic issues. African populations are much more likely to accept sacrifices if they understand the logic behind specific policies, and the long term advantages of pursuing reform.

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Comments on Political Liberalization and Economic Reform

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Since I am not a specialist on Africa, perhaps the best way to contribute to this workshop is to offer some perspectives on the relationship between democratic openings and economic reforms based on experience in other regions. In the past decade countries as diverse as Argentina and Bolivia, Poland and Hungary, Turkey and the Philippines have attempted far-reaching economic reforms, at the same time that they sought to consolidate turns or returns to democratic forms of government. As in much of sub-Saharan Africa, many of these new governments confronted deep and protracted economic crises and were handicapped by state bureaucracies demoralized and incapacitated by many years of acute fiscal crisis.

Democratic openings and economic reforms

As in some African countries, exaggerated expectations regarding democracy made it difficult for new elected civilian governments to launch and sustain strong adjustment programs. In Bolivia in 1982, Argentina in 1983, and Brazil in 1985 civilian governments took office after many years of military government, and in the midst of severe economic difficulties. Much of the public believed that the economic problems were caused by mismanagement or corruption by the old regime, and that democracy itself would ease or solve the problems, without severe costs. (Somewhat similarly, in Ghana after Flight Lt. Rawlings took power at the beginning of 1982, both political leaders and much of the public believed that "bad people," rather than more fundamental structural problems, were the cause of Ghana's long economic decay; they expected that cracking down on speculators would solve the problems.)

As a result, the first elected government in Bolivia was unable to adopt adjustment measures; the Argentine and Brazilian governments adopted partial measures but could not sustain (and, in Brazil, did not seriously attempt) fiscal policies to stabilize the economy. In Bolivia and Argentina, the outcome was hyperinflation; in Brazil, high inflation and an array of other problems. Hyperinflation in Bolivia and Argentina did convince the public -- above all, the middle classes -- that far-reaching economic reforms were imperative. Their changed perspective sharply altered the context for agenda-setting (to use van de Walle's concept), and permitted the second elected government in each country to adopt much more far-reaching measures, with considerable popular support. Both governmental commitment and popular acquiescence, in short, permitted ambitious adjustment efforts only after a series of more partial (and less painful) efforts that proved unsuccessful, and after the economy veered frighteningly out of control.

In Eastern Europe in 1989, in contrast, much of the public not only opposed the Communist political model, but was also convinced that fundamental economic reforms were essential, even if painful. While there were intense arguments regarding the precise design and timing of reforms, the broad direction and the basic need for the reforms was widely accepted.

Prevailing views in much of sub-Saharan Africa may be closer to the Latin American than the East European experience: that is, many of the groups pressing for political liberalization may blame economic stagnation and decline less on basic structural problems than on corrupt and inept authoritarian regimes. If that is true, some of the stories from Latin America suggest that there may well be a painful learning period ahead in Africa.

Launching versus sustaining reforms: phases of adjustment

In almost all of the countries in various regions that have adopted and sustained vigorous economic reforms, early stages of adjustment differed from later phases, in ways that may relate to prospects for sustaining democracy as well as economic reform. The **initial stages** of economic reform usually included macro-economic stabilization measures, coupled with considerable price and trade liberalization (including devaluation). Even in countries with elected democratic governments, these measures were usually introduced in an autocratic manner, often by executive decree. Measures requiring legislative approval were usually rammed through with minimal debate. Parties and interest groups were consulted little if at all.

This initial autocratic style was facilitated by the nature of the economic crisis, the political context, and the administrative characteristics of the measures. Where economic crisis is acute, quick action is imperative. Some measures, particularly devaluation and monetary policy, cannot be openly debated in advance without defeating the of the measures themselves Most stabilization and early adjustment measures can be put into effect by the decisions of a small group of central economic officials. Moreover, in the midst of acute economic crisis, much of the public strongly desires a take-charge government, even if specific measures are unpopular. A newly elected government (particularly following a long period of military or one-party rule) is likely to enjoy a honeymoon period, where hardships can be blamed on the old government's mistakes or corruption. Those groups most strongly opposed to market-oriented reforms are usually those who were close to the old regime, and benefitted from the direct and indirect consumer and credit subsidies, trade protection, state-run enterprises and other features of the old economic system. These groups are likely to be discredited or in disarray in the weeks and months immediately following a political transition.

In the **later stages** of adjustment, however, the autocratic approach becomes both more costly and less effective. The political context changes: the honeymoon fades; political opposition is likely to overcome its disarray and organize more effectively; elections approach. The impact of initial economic reforms also shapes the stage for later measures. If the government has succeeded in easing some aspects of the crisis (for instance, reducing inflation or easing an acute foreign exchange shortage), then paradoxically much of the public is likely to become less tolerant of further painful measures, since the sense of urgent crisis has dwindled. On the other hand, if the public perceives little improvement in the economy, the government's credibility is reduced.

Not only the political context but also the nature of the reform agenda changes in later stages. While the need for austerity may continue, later reforms usually focus on more complex institutional reforms such as financial sector restructuring, labor market liberalization, and privatizing or re-organizing state economic enterprises. These kinds of reforms require consultation and co-operation among a much wider circle of implementing agencies and, often, private sector groups. Governments that succeed in shifting to a less autocratic style may not only better sustain adjustment, but also reduce the tension between adjustment and political liberalization. After several years of adjustment efforts, for example, both Mexico and Poland found it desirable to establish pacts with labor unions, to facilitate continued wage restraint and restructuring of industry while meeting some of labor's demands. The Mexican government also helped sustain adjustment efforts by introducing a highly successful program of small local public works, funded in part from earmarked proceeds from privatization. For this workshop the case of Mexico may be particularly interesting, since Mexico, like some sub-Saharan African countries, is pursuing economic adjustment in a context of partial but not full political liberalization.

<u>A longer-run perspective on economic reform and democratization</u>

In Latin America and Eastern Europe, as well as in sub-Saharan Africa, it is increasingly well-recognized that structural reforms will take not just a few years (as was often assumed in the early and mid-1980s) but decades. I am not sure that the ways in which the donor community thinks about stabilization and adjustment fully reflect this longer time horizon. At least in Washington, there is a tendency to think about a package of measures that will bring about stabilization and adjustment. But the frustrating start-stop cycle of stabilization efforts in the past decade demonstrates the importance of **sustaining** prudent economic management, often in the more demanding political context discussed above. Particularly in this context, Nicolas van de Walle's point regarding the need to insulate key economic agencies from direct political pressures becomes salient. But insulation on certain issues must be supplemented and made more acceptable by more consultation and participation in other aspects of economic management.

Just as we used to think about stabilization in terms of a short sharp shock (instead of a long-run task of instituting and maintaining prudent macro-economic management), we used to think about structural adjustment as a set of measures which, once in place, would set an economy on the path to growth and prosperity. But it is now agreed that it is not enough to get the prices right, encourage the government to withdraw from most direct economic intervention, and open trade. The adjustment agenda has broadened to include revamping social services, encouraging pro-poor measures, and revitalizing and re-orienting government. Moreover, some of the key tenets of the old adjustment formula are under challenge: for instance, while trade liberalization remains an important item on the agenda, it is no longer heretical to suggest that more gradual and phased opening may make sense for some economies. In short, the concept and the tasks of structural adjustment are now merging into a longer-run process of the formulation, testing, and revision of development strategies. That process most certainly cannot be insulated from participation and discussion.

On the political reform side, the brief moment of euphoria both in donor circles and in many countries that returned or turned to much more open political systems has been replaced in the past two or three years with a concept of democratic consolidation that looks much longer, harder, and more problematic. In Latin America and in Eastern Europe, democratic coalitions predictably [illegible] crumbled, mass participation has been replaced by widespread apathy or cynicism, and public-spirited anti-authoritarian leaders have been replaced by a new wave of self-seeking politicians. In several Latin American countries, public outrage over governmental and party corruption has proved as great or greater a threat to sustained economic reforms as opposition to the content of the measures themselves. In this perspective, Van de Walle's proposal for donors to press much more strongly for improved governance may well be an important way to promote both economic reforms and the consolidation of more democratic forms of government.

In several Latin American countries, it proved impossible for elected governments to press ahead with economic reforms until hyperinflation persuaded much of the public -- above all, the middle classes -- that their new democratic governments could not solve their economic difficulties relatively painlessly, but that far-reaching reforms were unavoidable. That change in perspective sharply altered the context for agenda setting (to use Van de Walle's concept). Outsiders can not do a great deal to hasten that change, though they can avoid actions that delay the process -- which is what Tom Callaghy has in mind when he suggests that donors stand back from Nigeria for a time.

Once economic reforms are in motion, however, outsiders can help governments devise ways to provide grounds for hope, and thus to make political backsliding less likely. Donors have recognized for the past half-dozen years (some, to their credit, for much longer) the need to buffer the vulnerable from the impact of adjustment. To help sustain political confidence, however, it is important that supply of basic foodstuffs and at least some aspects of basic public services improve, not only for selected groups but for the public at large. Van de Walle's emphasis on governance is sound.

Comments on

Political Liberalization and Economic Policy Reform in Africa
and
Political Liberalization and the Politics of Economic Reform

by Professor Thomas M. Callaghy
University of Pennsylvania

Views about the relationship between economic and political liberalization in Africa range from very utopian expectations to an intense Afro-pessimism. A more balanced view is required and suggested by the evidence of the 1980s. In much of the discussion about this topic, including these two papers, there is a strange, unresolved ambivalence: an acknowledgement of the difficulty of economic reform under democratic conditions, based on the evidence on the ground, but yet a hesitancy to come right out and say that democratization just might have negative consequences for attempts at economic reform and a hesitancy to grapple with the difficult policy questions such a conclusion raises.

These brief comments will focus on six topics: [1] the requisites for ***sustained, long-term*** economic reform, [2] transitions and sequencing of reforms, [3] the alleged benefits of transparency, [4] commitment and learning, [5] state capability, and [6] the compatibility of simultaneous economic and political reform.

[1] The evidence from Africa (and the rest of the Third and former Second Worlds) of the last decade and a half is that the requisites of real, sustained economic transformation and not just stabilization are multiple and very demanding, hence rare. Such transformation requires the following: sustained governmental commitment; technocratic as opposed to political decisionmaking; insulation and autonomy from major societal pressures ***and*** negative executive/military intervention ***and/or*** a strong societal support coalition; considerable resources and market access; and substantial state capability.[1] These requisites are demanding and rate, whether under authoritarian, semi-authoritarian, or democratic political structures, but they are particularly demanding and rate under democratic conditions. There are many necessary but not sufficient individual conditions, hence the rarity of reform. Ghana under Rawlings is the only major African example, and I would argue that it is still fragile.

The Sandbrook paper nicely discusses most of these requisites, and the van de Walle paper raises issues related to them. But then both papers reach the surprising, given their evidence, conclusion that economic reform in Africa requires political liberalization and that the donors should support it, possibly, as Gordon and Lancaster argue in their paper, even attach explicit forms of political conditionality. As noted above, this reflects enormous ambivalence about this

[1] This argument is spelled out in more detail in the paper, "Democracy and the Institutional Requisites of Economic Reform," which is itself a highly condensed version of two much longer papers cited in its first endnote. Many of my points here are also elaborated in a forthcoming edited volume: Thomas M. Callaghy and John Ravenhill, eds., *Hemmed In: Responses to Africa's Economic Reform* (New York: Columbia University Press, forthcoming November 1993).

issue, a strong tension between evidence on the one hand and normative and policy desires on the other.

As Sandbrook states explicitly, and van de Walle hints at, African states are going from weak authoritarian to weak democratic regimes in which older political and social logics are not likely to disappear and will negatively affect attempts at economic reform. This "weak to weak" argument is correct and should give pause about encouraging political liberalization or democratization *as a supportive aspect* of economic reform. This relates to a goal confusion that I will come back to at the end of my comments.

[2] Sandbrook sketches three sequences of reform: (1) economic followed by political; Ghana is best example, (2) simultaneous economic and political; Zambia now and 3) political then economics, which is quite rare and in Africa actually collapses into #2; Senegal is the prime example.

Professor van de Walle starts off be indicating that he wants to focus "principally on the ability of regimes to undertake structural adjustment *after* [his emphasis] they have undergone political reform." (p. 2) Given the fact that the "vision" of the donors is to do both simultaneously with the argument that the two require each other, this is not really an appropriate way to tackle this topic; it is Sandbrook's third sequence, which is rare especially in Africa and not likely to be a trend anywhere on the continent. However, van de Walle does briefly discuss the transition to political liberalization and almost all of his evidence shows how very difficult economic reform is under transition conditions. This contrasts with the remarks by Professor Bratton about the positive effects of political honeymoons and legitimacy under transitions that might facilitate economic reform; the point is that both the honeymoons and the legitimacy are likely to be very transitory phenomena. As I indicated at the beginning, we need to focus on the likelihood of *sustained, long-term economic transformation* and not just short-term economic stabilization, hard enough itself under democratic conditions.

Back to Sandbrook's three sequences. If #s 1 and 3 are both rare, especially the probability of effective Rawlings-like authoritarian regimes, then what do we do? The first thing is not to *require* complete democratization as the quid pro quo for external assistance, but to support any regime engaging in economic reform *as long as it continues to do so*. The second thing, in cases where political liberalization is well under way or highly probable in the immediate future, is to support the emergence of democratic functional equivalents of technocratic decisionmaking and insulation and autonomy from countervailing political pressures from the political elite or social groups. These are what Paul Collier has called "agencies of restraint" (which apply by the way more to economic stabilization than to longer-term structural adjustment). The most common forms are *effective* central banks; other forms of institutional and constitutional forms of political engineering are also possible. Given the difficulties of institutional creation, however, especially under chaotic political transition conditions, these are likely to be very thin reeds of defense against countervailing political logics which so commonly "hollow out" reform efforts.[2]

[2] See "Democracy and the Institutional Requisites" for a more detailed discussion of these points.

As Collier points out, there are also attitudinal requirements for an effective "politics of restraint," what he calls "informed domestic constituencies of restraint." This is a topic I will come back to in [4] below.

[3] Will the "transparency" that political liberalization allegedly brings foster economic reform, especially by limiting corruption? This is one of the most frequently cited benefits of political liberalization; it is discussed by both papers but more so by van de Walle's where he argues for transparency providing "early warning" of problems and pressure for positive change. In both papers the argument and evidence are ambivalent. I would argue that there is almost no evidence in Africa that political liberalization brings real transparency or that which exists actually has a positive effect on limiting the negative consequences of powerful older political logics. The evidence from Nigeria, Ghana, and Senegal where there have been returns to democratic politics provide NO evidence of any positive effect on economic policy. Especially in Nigeria's Second Republic, the evidence runs the other direction - that political openness seriously aggravated economic conditions; evidence from Nigeria's halting political transition of the last four years also provides no positive evidence; early evidence on these grounds in Zambia is also not encouraging. Given that this is one of the key planks in the argument for political liberalization's positive impact on economic reform, caution is very much the order of the day.

[4] Commitment and learning: Both authors, but especially van de Walle argue that African elites have accepted the need for significant economic reform, that they have a desire for renewed economic growth. Once again the evidence and argument are ambivalent. I would argue that there has in fact in most places been very little learning that leads to real commitment to the rigors of *sustained economic transformation*. Yes, there may be a desire and some learning about the need for change, but there is still very little understanding of the need for change *and* what that requires. I believe that there remains a **huge** gap between the *general* understanding and commitment to reform and new *specific* learning and commitment with any relation to the rigors of IMF-World Bank types of reform, especially in the face of the political logics generated by such reform. And this is at the elite level; as van de Walle correctly admits, the average person has very little understanding of these issues and "civil society" has scant capacity in Africa at the moment to engage in real discussion of them.

Hence, will political openness really generate the elite and public support that Fund/Bank reform so desperately requires? I doubt it in most cases; Tanzania may be an exception but the quite striking elite learning there has yet to be tested by real political liberalization and open democratic elections. Stop-go cycles of reform, already very evident under weak authoritarian regimes, are likely to be more likely under weak democratic ones; hence once again the lack of the *sustained long-term economic transformation* Africa needs so badly.

This gets us back to attitudes for restraint discussed above and how real learning comes about. The evidence of the 1980s is that external economic conditionality is a weak and blunt instrument, one that does not generate real learning about the need for reform but rather what I have called "the ritual dances of the reform game,' especially as much of the blame for the economic crisis and reform has been externalized onto external actors - the Fund, the Bank, and the donor countries. If internal debates, new ideas (both external and internal), political openness, and external conditionality are not likely to generate real sustained reform, what might? The answer is a nasty one, a very two-edged sword: it is sustained, deep economic crisis *without* external assistance that might mitigate the fall. In many respects this is what brought reform and elite learning to both Ghana and Tanzania. It did not/has not brought it to Zambia or Nigeria, however. For Nigeria I would argue that it be cut off from ALL external flows - IFI, donor country, Paris or London Club rescheduling, medium term bank lending, direct foreign investment, equity purchases via privatization, etc. until real learning at the elite and mass levels takes. I do not mean *net* inflow; I mean *no* inflow as any inflow still gives the illusion of an external escape route. Nigeria has no excuse in that it, unlike most African countries, has the resources it needs.

Sustained crisis is a very double-edged sword, however, in that the costs of delayed reform and the human suffering involved are likely to be enormous. Also delayed reform makes the conditions that must be confronted when learning finally does come that much more difficult to cope with. Ultimately, however, it might be the only thing that will finally bring change.

[5] State capacity is too vast a topic to deal with here but the Sandbrook paper appropriately raises it as a central issue in regard to economic reform in Africa and elsewhere. If anything was learned in the 1980s it was that a capable state is required for either market driven liberal reform of the Fund/Bank type of the heavily statist varieties of export-oriented reform of the East Asian success stories. Africa happens to be the region of the world with the weakest levels of state capability. We know that it is required, as Sandbrook nicely stresses, but we also know almost nothing about how to enhance state capabilities *quickly enough and at a scale and intensity* that will result in sustained economic transformation. What probably is clear, however, is that economic crisis makes already weak capabilities weaker and that democratization may not greatly facilitate "building" state capabilities of the type required for reform.

[6] Finally,[3] do economic and political liberalization actually reinforce each other as the donors maintain? Despite countervailing evidence in their papers, both authors end by saying that they should go together. Sandbrook, for example, starts his conclusion by reminding us of his nice "weak authoritarian to weak democratic argument," but then immediately says the following (p. 30): "*Nonetheless* [my emphasis], political liberalization is desirable. It provides a political space in which people can defend themselves against tyranny and strengthen civil society. It also, *on balance* ["], strengthens the political preconditions for economic adjustment and growth. Weak authoritarian regimes offer the worst prospect: human-rights abuses linked to a predatory state apparatus." I do not believe that the existing evidence, including much of that provided by these two authors, supports the view that even on balance political liberalization provides such "preconditions;" weak democratic regimes may not be much, if any, better on this front than weak authoritarian ones, and hence the net effect of the new political space may be marginal. The first part of the Sandbrook statement is a positive normative judgement about he political effects of political liberalization, and it is an appropriate one *as long as it is not tied to economic reform* and the long-term consequences of the absence of economic reform are kept

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[3] There is actually one other point that I meant to make in my oral presentation that I did not remember to do, and I want to at least mention it here. In all the discussion recently about economic and political liberalization, there has been a striking absence of any discussion of the military, especially its role in these changes *and* whether it is likely to reemerge as a major political player once again as it did in the 1970s which I believe it will.

clearly in mind. In short, the analytic judgement about the positive relationship between political and economic liberalization is very open to question.

The key question the donors have to ask themselves then is: What are we really trying to do here? Help foster democracy in Africa as an end in its own right? Help bring about economic reform that will allow Africa to end its poverty, marginalization, and dependence? I think we need to decide which it is here. If it is the former, then support for political liberalization may well be appropriate. If it is the second then it may well have a negative impact. Some, very cynical commentators, both African and external, are beginning to suggest that the donor emphasis on political liberalization may be partly driven by the need for a new post-Cold War foreign policy that sounds nice but does not cost much, in short, one suited to Africa's continued marginalization and dependence. While overdrawn, such views may have some validity unless the donors are willing to sink huge amounts of resources into simultaneous economic and political liberalization, for only by buffering the political and social consequences of economic liberalization and providing capital and major debt relief will these two processes have *any* chance of success.

My view is very simple: support any government that is engaging in economic reform *as long as it does so seriously*. This is especially imperative given two key probabilities: [1] a number of countries will not achieve even near-complete political liberalization, and [2] a number of cases of political liberalization are likely to be ended or reversed by renewed military intervention before the 1990s end. Above all, this means ***not*** attaching formal political conditionality to external resource flows, debt relief or the approval of Fund/Bank programs.

For Session III
April 15, 1993
9:00 AM

POLITICAL LIBERALIZATION AND THE POLITICS OF ECONOMIC REFORM

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How is the current wave of political liberalization likely to affect the ability of African political systems to design, implement, and sustain economic reform? In this context of political liberalization, how can African reformers and their foreign supporters foster the political and administrative conditions for effective economic stabilization and adjustment?

The Context: Constricted Political Liberalization

Political liberalization, according to the donors' consensus, will promote better governance which will, in turn, reduce the waste of public resources and improve the political and administrative conditions for market-based reform. There is no doubt that a "crisis of governance" has afflicted many sub-Saharan countries, and that this crisis has been economically destructive (World Bank 1989). Political liberalization, in conjunction with economic liberalization and institutional capacity-building, may well offer the best hope for 'getting the politics right' for economic recovery in these countries.

Realism, however, demands that we do not exaggerate the role of political liberalization in Africa. Not only have genuine democratic transitions been few, but even genuine transitions - those that culminate in the protection of political and civil rights, the legalization of opposition parties, and fairly free and fair elections - have modified rather than transformed pre-existing politico-administrative conditions. Democratization involves, in effect, a transition form an ineffectual, though often repressive, authoritarian regime to a weak an fragile democratic one.

First, most governments have suppressed, delayed, aborted, or manipulated democratic transitions. Intense civil strife and political breakdown in Somalia, Liberia, Sierra Leone, Ethiopia, Rwanda, Angola and Chad have doomed political liberalization, despite the good intentions of some leaders. Dictators in Zaire, Togo, Guinea, Sudan, Malawi, and Equatorial Guinea suppress, obstruct, or delay democratic transitions. More commonly authoritarian governments have manipulated transitions to retain power under the facade of democratic elections. The most common governmental abuses in the run-up to general elections include all or some of the following: privileged access by the governing party to the state-owned mass media; reliance upon partisan electoral officers, inadequate voter registers, and deficient systems for identifying eligible voters; the use of the secret police and 'youthwingers' to intimidate the opposition supporters; the distribution of money to supporters; and outright electoral fraud.

According to election monitors, multiparty elections in such countries as Gabon (1990), Côte d'Ivoire (1990), Burkina Faso (1991-92), Mauritania (1992), Kenya (1992), Cameroon (1992), and Central African Republic (1992) were marred by such irregularities.

Other countries, however, have experienced a more genuine political liberalization. In the early 1980's, only four sub-Saharan countries boasted durable representative democracies: Botswana, Gambia, Mauritius and Senegal. Of these, the first three are micro-states whose experience is not very relevant to the more populous and complex countries of the continent. And many critics in Senegal claimed that the irregularities and violence that marred the 1988 elections invalidated the democratic credentials of Abdou Diouf's government. Namibia, another micro-state, joined this small group of semi-democracies upon its independence in 1990. Then, 1991 and 1992 witnessed a string of relatively fair multiparty elections which brought new governments to power: in the micro states of Cape Verde, São Tomé e Principe, and Congo, as well as in more populous Bénin, Zambia and Mali, and Madagascar. In addition, Zimbabwe bolstered its claim to democratic status, with the resurgence of opposition groups, enhanced official tolerance of dissent, and the revitalization of civil society. And Ghana underwent a presidential election in November 1992 which returned J.J. Rawlings to the presidency with a 58 per cent majority. Commonwealth observers declared this election fair, though the Ghanaian opposition claimed fraud, especially the use of outdated voter registers which disqualified many of its supporters.

A final category includes those governments which have made a credible promise to deliver free and fair elections in 1993 or later. Burundi, Djibouti, Guinea-Bissau, Mozambique, Niger, Nigeria, Tanzania, and Uganda belong in this category.

Not only have democratic transitions affected just a minority of African countries, but such transitions moderate instead of transform political and administrative practices. Transitions propel weak authoritarian regimes into weak (semi)democratic governments. Weak authoritarian regimes often effectively coopt or suppress dissent, but ineffectively design and implement complex, coherent programs on a national basis. This authoritarian ineffectiveness stems from a lack of political will and/or a paucity of extractive, bureaucratic and political capacities (Sandbrook 1993, ch. 2). Yet a democratic transition marks only limited changes. General elections and multiparty competition do not banish, and may even aggravate, the clientelism, factionalism, ethnic/regional loyalties, and administrative weaknesses of the ancien regime. In the place of a monopolistic party or juntas riven with factional conflicts, one finds a fragmented party system in which parties form around prominent personalities and regional loyalties, as well as ideological differences. Public administrations face many of the same constraints - fiscal austerity, a paucity of skilled personnel, low morale, indiscipline - that had earlier led to their debilitation. Political coalitions remain ambiguous and uncertain in a civil society which had for so long been suffocated by authoritarian rule.

In this weakened state, new governments confront high public expectations aroused by the election campaign. They must resolve the fiscal crisis, rebuild some bureaucratic discipline, competence and insulation, and maintain political support in order to satisfy these expectations through coherent economic reforms. This is a daunting agenda.

Bénin, the first country on the African mainland to achieve a change of government through an open election , illustrates the limits of weak democracy (Allen 1992, 43-58). Bénin has been formally democratic since March 1991, when Nicephore Soglo replaced long-time dictator Mathieu Kérékou in a presidential election. That election, together with the National Assembly elections, reintroduced responsible government, respect for the rule of law and human rights, some degree of press freedom, and an end to obvious corruption. But the government has become progressively less tolerant of dissent, banning demonstrations of students who had been the earliest proponents of democratization. Also, political parties, of which 21 found seats in the National Assembly, had formed on the basis of the personal following of wealthy leaders and/or ethnic/regional ties . Patron-client relations remain the 'glue' that holds political teams together. The formerly vibrant civil associations that had spearheaded political liberalization by means of a 'National Conference", had lapsed within a year of the election into disunity and passivity. Political parties now dominate the political scene. Meanwhile, the people continue to disengage from the state and flout the law. Smuggling with Nigeria remains rampant. Tax evasion is widespread. However, the government persists in implementing a structural adjustment program, though this is popularly regarded as foreign imposed and ineffective.

Despite the limits of democratization, it seems to constitute the most promising alternative in the circumstances. Authoritarian-developmental regimes on the East Asian model might be more adept at framing and implementing structural adjustment programs than weak democracies. Africa's historical and structural conditions, however, are unconducive to this model (Sandbrook 1991, 109-11). Economic progress in Kenya, Malawi, Côte d'Ivoire, and Cameroon initially rested on efficient, authoritarian-developmental regimes, but even these regimes decayed (partly because of external economic shocks) in the 1980's. The ensuing weak and predatory states represent, except for political breakdown and chaos, the worst-case scenario, given their propensity for both human-rights abuses and economically destructive practices. Even weak democracies offer some protection against both. Certainly this has been true in Mauritius, one of the region's political and economic success stories. Mauritius mounted, in 1979-86, a highly successful stabilization and adjustment program; according to the experts, the pluralist political system figured centrally in this success (Gulhati & Nallari 1990, 58-9).

Having sketched in the political context, we can now ask: how can African reformers and their foreign supporters promote the political and administrative conditions for market-based reform? This analysis will emphasize the ways in which political liberalization fosters or impedes these conditions.

There are three essential politico-administrative conditions for the design, implementation and sustaining of economic reform. I will consider each in turn. First, the executive authority must be firmly convinced of the necessity of economic stabilization and liberalization. Without such commitment, the leadership will be unlikely to persist in carrying through stringent recovery programs. Secondly, this executive must be in control of a competent and responsive public administration. Although economic liberalization implies a scaling back of the state's economic tasks, paradoxically it also requires a strengthened state apparatus - to negotiate and implement complex economic policies, efficiently mobilize, allocate, and use public resources, and maintain the predictable legal and infrastructural foundations of efficient markets. Finally, the regime must muster sufficient political support to offset the influence of those strategically placed social forces whose immediate interests are adversely affected by economic liberalization.

How can reform-oriented governments insulate bureaucrats from anti-reform elements and generate sufficient coalitional support for economic reform?

Governmental Commitment to Reform

'Political will' is often cited as a key condition for successful adjustment programs. An executive authority which is cohesive and convinced of the necessity of economic reform will persist in its program despite opposition. If this leadership is politically astute, it will know how to mute opposition by varying the pace and sequence of reforms and by shielding the most vulnerable and strategic groups. In contrast, a regime which is fractious or unpersuaded of the need for market-based reforms will probably adopt a 'stop-go' approach to reform. This vacillation, usually induced by the conflicting demands of the multilateral agencies and domestic support groups, may produce the worst outcome: an economy stalled between a weak dirigiste state and weak markets (Callaghy, 1990).

What generates the requisite leadership commitment? Does political liberalization foster political will? Certainly not directly. In case after case, the early pro-democracy advocates protested against structural adjustment programs. In, for example, Côte d'Ivoire, Ghana, Nigeria, and Zambia, the popular demand for democracy emerged in urban demonstrations against the hardships associated with economic stabilization. Public-sector employees and urban workers protested lay-offs and declining real wages. Students and university lecturers denounced cuts in grants and support payments. Other professional associations, especially teachers, demanded better pay and working conditions. Many people called for a reversal of reductions in subsidies on foodstuffs and fuel. Economic protest fuelled political protest, as protesters blamed economic problems on corrupt and capricious regimes and demanded multiparty elections. However, the new democratic regimes, the legatees of this protest, then have to confront these elements of the democracy movement, when these governments in turn undertake economic reform. In Bénin and Zambia in 1992, the new governments even banned student demonstrations and quelled worker protests.

On the other hand, political beneficiaries of market-based reforms have been too ambivalent or unorganized to reinforce the leadership's political will. Business people will ultimately benefit from a free-market strategy: but many indigenous entrepreneurs have owed their success to protection from foreign competition, subsidized inputs and credit, state-supported monopolies, and access to undervalued foreign exchange. They are hardly likely to embrace reform programs which eliminate their privileged position. Small agricultural producers, though they will benefit from higher prices and the rehabilitation of rehabilitation of rural services and infrastructure, generally lack the cohesion and organization to buttress regimes on policy grounds. They may even be ambivalent about structural adjustment, for peasants and urban workers are not mutually exclusive classes. Many workers, who suffer from the effects of structural adjustment, also have small landholdings worked by household members; this 'straddling' of economic roles creates conflicting interests and confuses coalition-building.

So, political liberalization will not directly augment political will; but indirectly it may buttress a government's reformist resolve. Popularly elected governments realize that political survival depends upon good economic performance. Governments must do something to move the economy forward. In light of the limited options, economic liberalization may appear to offer the best hope for recovery before the next election. The neoliberal consensus among multilateral and bilateral aid donors obviously influences these calculations. Desperate for loans and grants, African governments must come to terms with the International Monetary Fund. This requires a government to demonstrate its commitment to market-based reform.

But this need to gain external approval will not in itself generate a firm governmental commitment to economic reform. It may only encourage some regimes to 'play the game' in order to secure credits, while in reality the predatory state continues as before. President Mobutu Sésé-Seko has been particularly adept at negotiating agreements with the IMF and World Bank, though apparently without any intention to follow through with their terms (Leslie 1987). And if Western governments or multilateral agencies push governments to aggressively, they achieve, not political commitment to reform, but a shallow and sullen acquiescence. This attitude, illustrated by the following angry words of Mozambican President Joaquim Chissano in 1990, bodes ill for a long-haul reform process:

> The U.S. said, 'Open yourself to OPIC, the World Bank, and the IMF.' What happened? ... We are told now: 'Marxism! You are devils. Change this policy.' O.K. Marxism is gone. 'Open the market economy.' O.K, Frelimo is trying to create capitalism. ... We went to Reagan and I said, 'I want money for the private sector. ...' Answer: $10 million, then $15 million more, then another $15 million ... O.K. we have changed. ... Now they say, 'If you don't go to a multiparty system, don't expect help from us.' (Quoted in Bowen 1992, 272)

Neither external pressure nor domestic coalitional interests suffice to foster the regime commitment on which sustained economic reform depends. Two other factors are important: the leaders' recognition that statist approaches will not induce economic recovery; and their sense of 'ownership' of adjustment programs. The Ghanaian case, in which rigorous programs of economic stabilization and adjustment have been sustained for a decade, illustrates the importance of these factors. J.J. Rawlings seized power in December 1981 as a radical populist dedicated to revitalized Ghana's economic and political life by cleansing them of corrupt, self-serving and imperialist exploitation. Within a year, he had lost faith in the efficacy of his intellectual supporters' neo-Marxist program of state direction, self -reliance, popular mobilization, and anti-imperialism. This skepticism, spurred by continuing economic decline, galvanized a core of the Provisional National Defense Council (PNDC) to change course to a market-based, outwardly-oriented direction (Busumtwi-Sam 1992, 216-231). That Rawlings and his allies in a revamped PNDC owed their positions neither to mass-based radical parties nor to pre-existing clientelist networks gave them sufficient autonomy to adopt neoliberal policies.

The Ghanaian experience also shows the importance of 'ownership' in building executive commitment. To own a recovery program, a government must have a hand in shaping the pace, sequence, and mix of policies. Judging by President Chissano's statement, the Mozambican government felt it had no control over the policies it implemented in exchange for crucial foreign resources. In Ghana, however, a small group of technocrats led by Finance Secretary Kwesi Botchwey has made its voice heard. A detailed study of the IMF's negotiations with the PNDC concludes that: in 1983-86, the IMF received 80-85 percent of what it wanted in monetary, fiscal, and exchange rates targets, whereas the norm in its other African negotiations was 90-95 percent; and that in 1986-87, the IMF achieved, at best, only 70-75 percent of its negotiating goals (Martin 1991, 239). Meanwhile, the World Bank was even more accommodating towards the Ghanaian government than the IMF. The PNDC team won important concessions on the pace and extent of devaluation, decontrol of prices, trade liberalization, and privatization (Martin 1991, 238). Although there were times (in 1986) when IMF inflexibility embittered Rawlings and his technocrats, the usual flexibility shown by the multilateral agencies and bilateral donors committed the regime to a long-term reform process. Those who have studied the successful adjustment programs in Mauritius arrive at similar conclusions about the importance of bargaining flexibility in the 'policy dialogue' (Gulhati & Nallari 1990, 59-60).

In sum, if an executive authority can retain its cohesion, if its key members recognize that existing statist approaches will not reverse the downward spiral, and if through compromise in the policy dialogue it develops a sense of owning a reform program, the crucial political commitment will develop. Economic reform may then continue despite setbacks and protests.

Bureaucratic Competence and Discipline

Political will is important; however, a determined leadership must be able to call upon a bureaucratic apparatus with some insulation from vested interests, discipline, and competence if its economic initiatives are not to founder. Here we approach the often noted paradox of economic liberalization: "For governments to reduce their role in the economy and expand the play of market forces, the state itself must be strengthened" (Haggard & Kaufman 1992a: 25). Economic liberalization involves, on the one hand, that the government shed or curtail certain of its economic tasks. It will phase out its central directive planning of economic activity, and its direct participation in productive ventures. It will reduce its redistributive role, mainly by lowering or eliminating subsidies and transfer payments. It will curtail the myriad of administrative regulations of economic behavior. These changes should have the beneficial consequences of diminishing opportunities for corruption and rent-seeking behavior, and bringing the state's responsibilities more into balance with its limited autonomy and administrative capacity.

On the other hand, the government must strengthen its effectiveness within its narrowed sphere, if investors are to be enticed and markets are to operate efficiently. The government must negotiate, implement, and monitor complex economic agreements with the IMF and aid donors. It must furnish incentives to the private sector by means of complicated fiscal, monetary, investment and trade policies. It must resolve the infrastructural problems (in transport, power generation, water supply, health services and telecommunications) which discouraged private investment. And it must mediate conflicts within civil society, especially between capital and labor, that threaten the social peace and stability that entrepreneurs crave. All these tasks increase demand for scarce technical and administrative skills.

Administrative and capacity-building is not just a technical matter; it is an essential element of the politics of economic reform. This is because politics, specifically pervasive clientelist politics, is one of the roots of administrative decay. Hence, political leaders will have to moderate this dimension of political life if technocrats and administrators are to obtain the requisite insulation and competence.

Although the politicization of African bureaucracies is a complex story (Sandbrook 1985), its outlines are now widely known. Bureaucracy at independence was vulnerable as office-holders had not had time to develop a distinctive esprit de corps. It degenerated into patrimonial administration unless the political leadership shielded it from the corrosive impact of patron-client politics. Often, however, 'presidential monarchs' treated the public administration as their personal property. They or their lieutenants filled the expanding ranks of the state apparatus with political appointees, selected the top administrators on the basis of personal loyalties, and assigned bureaucratic tasks as they saw fit. These public officials, in patrimonial fashion, then "treat their administrative work for the ruler as a personal service based on their duty of obedience and respect" (Bendix 1962, 345). The ruler may even have colluded with his officials by permitting them to act arbitrarily and corruptly. Consequently, the bureaucratic virtues of hierarchical authority, expertise, neutrality, predictability, and efficiency eroded.

Even Tanzania, a country noted for the probity of its top leadership, has suffered from what a Tanzanian academic graphically label "bureaucratic feudalism" (Munishi 1989, 153-67) This denotes a pervasive patron-client system. Political patrons secure positions in the civil service and parastatals for clients, who then owe loyalty to these patrons rather than to their hierarchical superiors. These transorganizational factions advance the interests of their members - often to the detriment of the public they are supposed to serve. Hence, "without accountability, both foreign aid and internal surpluses will be deflected to the nodes of power in the political system at the expense of popular socioeconomic development" (Munishi 1989, 166).

Fiscal austerity is the other trend which has vitiated administrative efficiency in many African states. As the economic crisis since 1979 shrunk public venues and as external development agencies pressed African governments to reduce budget deficits, the salaries, prerequisites, and facilities of civil servants have plummeted. Some governments have recently sought to improve the lot of civil servants. But, in most sub-Saharan countries, middle-level officials still can barely feed - let alone adequately house , clothe, and educate - their families on their paltry salaries. In Sudan, basic starting salaries fell by four-fifths between 1970 and 1983, while in Ghana and Uganda real starting salaries had fallen below subsistence level by 1983 (World Bank 1988b, 115). In Guinea, the average salary in the civil service was the equivalent of only $U.S.18 per month in 1985 (Graybeal & Picard 1991, 289). These conditions led to a steady exodus of skilled personnel from public employment - and even from their countries.

For those who remained, morale, probity, and efficiency declined along with real compensation. Without the facilities or tools to do their jobs efficiently, many civil servants simply became time-servers. Or they turned to bribes, embezzlement of public funds and/or moonlighting in order to supplement their meager salaries and benefits. In Uganda, "the system of official renumeration has the consequences of putting on sale public employees to the highest bidder" (Mamdani 1988, 1166). In Guinea, "the devaluation of the syli and the low level of salaries helped to create a system of 'ye dogho' . . . or parallel side payments . . . for virtually all public services" (Graybeal & Picard 1991, 281). Administrative corruption in Zaire and Nigeria is widely documented. It also has become common for officials to be unavailable during working hours because they were attending to their private business affairs, often informal-sector activities. Moonlighting that involves animal husbandry, poultry or foodstuff farming or urban transport can be productive and socially useful. But the costs include reduced administrative efficiency and public disenchantment with unavailable or unresponsive civil servants.

What can be done to minimize these administrative weaknesses, which handicap adjustment programs? Does political liberalization have a positive impact?

When we search for solutions to administrative weaknesses, we run up against the unpalatable truth that the development of hierarchical, predictable, and expert bureaucratic administrations is a long-term, uncertain process (Callaghy 1989, 132). No 'quick-fixes' exist. Improving administrative capacity involves many major reforms in policy and political practice. Consider, in condensed form, some of the major challenges. First, reform of the tax administration must precede or accompany bureaucratic reform. Bureaucratic structures are starved of resources; but this is only partly because external shocks have depressed economic activity and public revenues. In addition, governments have proven unable to collect taxes from their citizens. Tax reform is therefore critical; however, this is a complex and intractable problem in its own terms (an not one that we can explore here) [See Sandbrook 1993, chap. 3]. Secondly, administrative reform requires that public sectors shed redundant and unqualified employees. Adjustment programs always entail this goal, though bureaucratic resistance is usually fierce and often effective. Thirdly, as the World Bank reports (1989, 1992) emphasize, institutional capacity-building depends upon the rehabilitation and upgrading of national educational and training systems to produce 'human capital'. A worthy objective, it is also expensive and widely ramifying.

Fourthly, salaries in the public sector must substantially increase in countries where they have deteriorated to abysmal levels. Only then will highly qualified personnel make their careers in the civil service, and spend their time on the job rather than on private income-earning ventures. Botswana, whose civil service is highly regarded for its competence and effectiveness, is one of the few sub-Saharan countries whose public salaries have not fallen behind the rate of inflation. It is this country's unusually high rate of economic growth that has underwritten these generous salary scales, however. Elsewhere, the deficit-ridden governments can scarcely afford to raise the salaries of civil servants to the level of the early 1970s.

Fifthly, civil servants need , in addition to salary increases, an intellectual and political environment which is conducive to open discussion of policy alternatives and even-handed implementation. In authoritarian regimes, a small coterie generally monopolizes decision-making and interferes in day-to-day administration. Civil servants often fear to question policies; independent associations - business organizations, trade unions - that might engage policy-makers in informed debate are coopted or suppressed. Lacking feedback, governments persist in implementing mistaken policies. Political liberalization will probably improve this situation (Healey, Ketley & Robinson 1993, 32-3). Opening up the political system will increase the chances that policy reflects considered opinions instead of a dictator's latest enthusiasm.

Finally, administrative reform implies technical, rather that political, criteria predominate in the recruitment and promotion of bureaucrats, and in public investment and allocations. How likely it is that the clientelist basis of decision-making will recede as countries undergo economic and political liberalization? Structural adjustment prunes the state's economic responsibilities and expenditures, and thus limits the patronage available for dispersal. Democratization may to some limited degree, substitute electoral legitimacy for mercenary support. It will also impede the consolidation of personal rule, which breeds the conditions for pervasive clientelism. Realistically, however, electoral competition will encourage contenders to offer material inducements, including prebends, to potential supporters. In Senegal, clientelism at the national and local levels persists in spite of a democratic transition dating from 1974-75 (Diop & Diouf 1992). In Nigeria, democratic interludes have been periods of heightened "prebendalism" (Joseph 1987). And, in 'democratic' India, corruption and the politics of patronage have induced bureaucratic lethargy (Wade 1985).

Not only will clientelism continue to intrude into public administration, but - if contained within reasonable limits - it serves an important purpose in doing so. Patronage is a 'glue' that helps to bind together weakly integrated, multiethnic states with very brief histories as united entities. 'Pork-barrel' politics is wasteful in economic terms, but necessary in political terms. This poses a difficult political dilemma. Statesmanship involves balancing the political logic of system maintenance against the economic logic of efficiency and accumulation. Actually, economic and political imperatives are not as contradictory as this formulation suggests. Political stability constitutes a precondition for sustained economic growth, and political stability in heterogeneous peasant societies depends in part on prebends to enhance national integration. Political realities should therefore temper technocratic approaches to administrative reform.

Given these constraints, administrative capacity is unlikely to improve rapidly in sub-Saharan states. This has some obvious implications for economic reform programs. Assume that, in a situation of administrative weakness, a committed executive authority assembles a technocratic team and accepts technical assistance from donor agencies. In this common situation, the implementation of reform measures involving detailed and continuous administration will pose the gravest problems. For instance, budgetary reform that entails extensive planning and data collection will prove difficult. Administrative weakness will also bedevil a foreign exchange regime of multiple exchange rates or managed auctions, and privatization programs, which require extensive preparation. Least affected by diminished administrative capacity will be the key stabilization measures - those that involve the top-down manipulation of relative price to restrain demand and thus reduce budgetary and balance of payments deficits.

Building Political Coalitions for Economic Reform

Market-based reform programs will not survive, irrespective of administrative capacity, unless their governmental proponents insulate technocrats from groups who benefit from a patrimonial state, and organize a pro-reform coalition of political forces. This will not be easy. It will require a reform government to alienate influential urban-based groups. It must usually organize alternative popular support when its economic program is generating major social costs for certain groups, and only potential benefits for others. To complicate matters, many governing elites will be concerned to maintain a regional-ethnic base while they construct a coalition of functionally defined beneficiaries. The phasing of political with economic liberalization will influence whether and how the new political alignments are affected.

Some governments, driven to the wall by economic calamity, negotiate programs of stabilization and liberalization without possessing the will or means to move against vested interests. Commonly authoritarian regimes in Africa have had a narrow political base. Such regimes have rested on the support of some or all of the following: the state-elite itself, both state managers and 'insider' business people (variously named the 'petty bourgeoisie', the 'bureaucratic bourgeoisie', or 'organizational bourgeoisie'), the army, and a regional/ethnic following.

Political leaders maintain support partly through the distribution of patronage: employment in the public sector and access to state resources and monopolies - licenses, contracts, credit, subsidies, and, sometimes, opportunities for fraud and corrupt dealings. Since the technocrats lack autonomy from those benefitting from the status quo, they cannot implement many agreed market-based policy changes. Programs therefore falter; and external leaders and donors become impatient or frustrated.

Niger is just one case among many in which a government's unwillingness to break with an existing state-centered coalition impeded the implementation of a structural adjustment program (Gervais 1992, 246-49). Economic difficulties emerged with falling uranium prices and declining agricultural production in the early 1980's. Hence, the government of General Senyi Kountché negotiated a stabilization program with the IMF in 1983 and a structural adjustment loan with the World Bank in 1986.

Those charged with implementing the reforms proved recalcitrant, however. Civil servants resisted cutbacks, and the government protected its political base among the urban middle class and Zerma people. One goal was to reduce public expenditures by freezing public-sector salaries and shrinking public employment. But administrators ingeniously managed to maintain their existing privileges (by manipulating promotions) and numbers (by continuing to offer jobs to university graduates until 1990). In 1987, public investment was duly redirected from urban to rural areas in accordance with the recovery program. But up to one-half of the rural development budget in 1987-91 accrued to personnel expenses and the purchase of vehicles for administrators. A 1987 program to liquidate, downsize, or privatize public corporations had achieved few results by 1990. And while budgetary outlays on personnel costs grew in the 1980's, expenditures on social services fell. Finally, the reform program called the for the government to enforce the repayment of loans to a government-financed development bank. The bank, however, was part of the governing elite's patronage machine, and loans had gone disproportionately to its ethnic supporters. So the plan to rehabilitate the bank also had failed by 1990, when the bank was liquidated. Not surprisingly, donors began to press political liberalization on the government in 1990, presumably to weaken the power of entrenched interests. Urban riots in 1990 and 1991, instigated by university students protesting the end of their entitlement to public employment, prodded the government toward a democratic transition.

Other regimes are either less dependent upon existing clientelist networks than the Nigerian government, or more resolute in implementing reforms despite vested interests. In either case political leaders must insulate program implementors and build alternative coalitions. What are the political dynamics of these processes?

It is useful to distinguish two patterns. The first involves an authoritarian regime which carries through a sustained program of economic liberalization, followed by political liberalization. The second pattern is characterized by overlapping processes of economic and political liberalization.[1] The latter is by far the more common pattern in sub-Saharan Africa. It is also,

[1] Haggard & Kaufman 1992b distinguish a third sequence - political liberalization first, followed by economic reform. This is rare in Africa, applying only to the microstates of Marituis and Gambia. In Senegal, political liberalization began before structural adjustment in 1980, but effectively overlapped with the latter.

perhaps, likely tc be more unstable.

Ghana exemplifies the first sequence - economic reform first, followed by democratization. Flt. Liet. J.J. Rawlings inherited a desperate economic situation when he seized power at the end of 1981. The economy had been in severe decline for more than a decade. During the PNDC's first year, the economic situation deteriorated even further. Rawlings responded by negotiating and implementing three recovery programs since 1983, and then managing a democratic transition in 1992. Although initially the regime depended upon repression and a top-down technocratic approach to implement economic liberalization, Rawlings managed to survive the democratic transition by winning a fairly open presidential election. He apparently succeeded in mobilizing the rural beneficiaries of economic reform.

When Rawlings and his allies within the PNDC undertook their first adjustment program in April 1983, they confronted a major political problem. On the one hand, those groups who opposed the new economic direction, though a minority, were well-organized, vocal and strategically located in Accra and other cities. These groups included the main supporters of Rawlings' populist coup: the radical intellectual movements, the students, and the urban workers. Also in opposition was the urban middle class, organized in professional associations of lawyers, teachers, doctors, etc., though they had long been hostile to the populist regime. From 1985 or so, the government faced mounting opposition from these groups to wage restraint, layoffs in the public sector, the removal of subsidies on foodstuffs and consumer goods, and the imposition of user fees. On the other hand, the potential beneficiaries of economic liberalization, though much more numerous, were passive and unorganized or even hostile to the initially radical regime.

Smallholders were the most numerous, but least organized, potential beneficiary. They would benefit in general from the priority based on rural development, and in particular from higher prices for their commodities. Larger commercial farmers would certainly realize higher incomes, but they were few in number. Indigenous business people constituted another potential, and influential ally. However, they distrusted the PNDC throughout the 1980's, owning to its targeting of 'capitalists' as enemies in its radical phase, to its periodic reversions to revolutionary rhetoric since 1982, and to its failure to consult business organizations on economic policy (Tangri 1992). Lebanese, Syrians, Indians, and some Europeans did respond to the opportunities opened up by the structural adjustment (Callaghy 1990, 282); however, these entrepreneurs of foreign origin were useless as political allies.

In these circumstances it is remarkable that the PNDC government survived and sustained economic reform. Its committed political base was minimal in the 1980s. There were, however, mitigating factors. Economic decline and the emigration of educated Ghanaians had weakened the state; but it had also weakened the cohesion, leadership and organizational capacity of oppositional associations. The regime also benefitted from the loyalty of the lower ranks of the armed forces, the effectiveness of the security apparatus, state control of the mass media, and the vestiges of Rawlings' charisma (Jeffries 1991, 65). Rawlings' ruthlessness discouraged overt opposition and created a "culture of silence". In addition to repression and charisma, the PNDC rested on the Acquiescence of a dispirited population that had suffered under corrupt and ineffectual regimes since 1960. The upright and resolute young man deserved a chance (Callaghy 1990, 277). Finally, the government responded to some popular grievances.

PAMSCAD, a donor-supported program initiated in 1987 to mitigate the social costs of adjustment, was one such effort (Gayi 1991). The District Assembly program in 1987-88 was another response - this time to provide some participatory outlet without endangering the regime or its recovery program.

It is doubtful that this Ghanaian experience constitutes a model of economic and political liberalization which should or could be emulated - in Uganda, Sierra Leone or Rwanda, for instance. Was the repression and authoritarianism justifiable? Even if the ends justify the means (a suspect proposition), economic adjustment has had mixed results. Although economic indicators have improved, Ghanaians report few improvements in their living standards (Busumtwi-Sam 1992, 278). Also, the Ghanaian experience suggests that a top-down, technocratic, authoritarian approach to structural adjustment has significant limitations. With sufficient regime commitment, external resources and foreign technical assistance, government can stabilize the economy by restraining demand via prices, wage levels, and reductions in public expenditures. But supply responses require the cooperation of local and foreign entrepreneurs. Investment demands confidence; and an autocratic and weakly-based government, especially one periodically antagonistic to the private sector, will appear too capricious, distant and unstable to inspire the needed confidence. Political liberalization, such as has belatedly begun in Ghana, may inspire such confidence by building the government's legitimacy, instituting a judicial system which protects personal liberties and property, and fostering a more consultative and open decision-making process.

In any event, Rawlings today is the elected president of a more politically open Ghana (Joseph 1993). With most of the economic reforms in place, he does not face today the same pressures as leaders who must carry through costly economic reforms at the same time as democratic transitions.

This second pattern - more-or-less simultaneous economic and political liberalization - is common in Africa today. One sequence involves a coup against an authoritarian regime in dire economic straits, leading to genuine multiparty elections and a further attempt at economic adjustment (as in Mali). More usually, an authoritarian regime, facing mounting economic problems, growing demands from a pro-democracy movement, and external pressures for political reform, undertakes political liberalization. Such an exercise, the regime hopes, will renew its legitimacy and appease foreign donors without threatening its hold on power. Sometimes, however, democratization under these circumstances does bring an opposition group to power, as in São Tomé e Principe, Cape Verde, Bénin, Zambia and Madagascar. It will be difficult to carry out concurrent economic and political liberalization successfully. The government will face an enormous challenge in maintaining a political coalition, given the high costs of adjustment to strategic urban groups, the slowness of economic recovery, the ambiguities in group interests created by the widespread phenomenon of occupational 'straddling', and the continued saliency of clientelism and regional/ethnic loyalties. Disaffection and social disorder will tempt it to adopt an authoritarian solution, or to delay or stall economic reforms in order to maintain political support.

The Zambian case illustrates some of these difficulties. Its experience is likely to be relevant to Bénin, Zimbabwe and the currently democratizing countries.

Zambia, under President Kenneth Kaunda's single party rule, negotiated several IMF stabilization programs in the 1980s. The IMF cancelled three programs for non-compliance (in 1981, 1983 and 1984). Kaunda terminated a two-year Stand-by Arrangement in May 1987 following riots on the Copperbelt precipitated by increased food prices. Kaunda then became a critic of the social costs of IMF adjustment programs. At the urging of the multilateral financial institutions and aid donors, the Kaunda government introduced in 1990 another stabilization package. This it abandoned in September 1991, in a vain effort to ingratiate itself with an aroused public.

Mass protests against UNIP's economic mismanagement and autocratic rule, together with external pressures, compelled Kaunda to concede multiparty elections in December 1990. In October 1991, Kaunda and UNIP went down to crushing defeats in elections judged by external observers to be fair and open. Frederick Chilumba, Chairman of the Zambian Congress of Trade Unions and long-time critic of the regime, assumed the presidency as leader of the Movement for Multiparty Democracy (MMD). Kaunda gracefully ceded power.

The new government faced a catastrophic economic situation. Zambia's external debt stood at $7.5 billion. Prices for Zambia's principal export, copper, remained very low. Foreign exchange holdings were almost non-existent. Social services had nearly collapsed. To make matters worse, Zambia the suffered its worst drought of the century.

Chiluba decisively responded, negotiating stringent stabilization and liberalization programs with the IMF and World Bank. This committed the government massively to devalue the kwacha, which it did. It undertook to retrench 25,000 public employees. It cut all government subsidies, including the most politically sensitive one on the staple maize meal. It committed itself to liberalizing imports and foreign exchange dealings. It planned to privatize most of the 152 state-owned enterprises, and quickly moved to solicit bids on 17 of them. In response, Zambia's aid donors and creditors, meeting in the Paris Club, pledged a remarkable $1.2 billion in aid and cancelled $950 million of Zambia's external debt.

But what coalition could the Chiluba government muster to underpin economic adjustment? The MMD itself was a disparate coalition of groups who were united only by the common opposition to the one-party state, and common desire to do something about Zambia's economic collapse. The prominent elements in this democracy movement included the powerful union movement, students and intellectuals, and disaffected middle-class elements. Initially the government could count on the euphoria that occasioned the peaceful ouster of the UNIP masters. The government took advantage of this 'honeymoon' period in early 1992 to push its economic programs ahead. However, the other side of this euphoria was inflated popular expectations. Many people, as Chiluba himself has plaintive noted, "felt that relief would come overnight" when the tainted Kaunda regime fell (Chiluba 1992, 37). This of course did not happen; indeed, living standards fell still further in the urban areas (which, in Zambia's case, contain more than half of the population). Wages and salaries failed to keep pace with inflation. Layoffs in the public sector heightened unemployment and underemployment. Deteriorated social services did not quickly improve. The result was widespread disaffection in the cities: Zambia experienced a wave of strikes in 1992. Reports suggest that the government has retained its popularity in the rural areas, largely because of its honesty and effective famine relief (Ham 1992, 40). However, unorganized peasants are a notoriously weak political base, especially when they form a minority of the population. And many indigenous entrepreneurs are still reeling from the loss of their state-sanctioned tariff protection, monopolies and subsidies.

This was the context in which the government declared a state of emergency in March 1993 and detained a number of UNIP officials. Chiluba claimed that it had uncovered a plot by UNIP to subvert the government, with the support of Iran or Iraq. This claim struck many observers as far-fetched. Could it be that the MMD leadership, in the midst of political turmoil occasioned in part by the early impact of stabilization, succumbed to the authoritarian temptation?

The Zambian case illustrates the political pressures inherent in combining economic with political liberalization. Adjustment will alienate such volatile urban elements such as workers, public sector employees, including many top managers, and students; yet potential beneficiaries are weak and unorganized. In many cases, the coalitional equation is even more complex than this. The government will need to placate the military, to keep it as a silent partner, presumably by protecting its perquisites and budget while shrinking overall expenditures. It will also need to cultivate it regional/ethnic support, where there is a major part of political coalitions. Chiluba has sought to allay regionally based opposition by means of 'ethnic arithmetic' in appointments. Elsewhere, the ethnic factor will prove more intractable. In Kenya or Nigeria, for instance, any selected government will need to satisfy its ethnic/regional base, and this will involve the distribution of patronage. Clientelism will continue as a means of building political support, though in partial contradiction to structural adjustment.

In the context of political pluralism, economic reform programs are most likely to persist if (a) they generate positive economic trends within two of three years, or (b) the inflow of foreign resources cushions the costs inflicted on the volatile urban classes, or (c) governments succeed in mobilizing potential beneficiaries especially in the countryside. Options (a) and (b) are unlikely to be realized. The depth of the economic problems afflicting adjusting countries, the constraints on African recovery inherent in debt burdens and international terms of trade, and the decline of development assistance to Africa, counsel pessimism. How realistic is option (c)? Perhaps governments could retain political support by sequencing reforms in order to ease the pain of structural adjustment - devaluation, deficit reduction and public-sector wage freezes initially, followed later by reductions in subsidies, trade liberalization, and deregulation of prices. In light of the usual severity of the economic crisis, however, one has to doubt that a gradualist program would be effective. Another option, which cannot be pursued here, is that a reformist government would mobilize rural support by deepening democratization - by, e.g., genuine decentralization to local government and local institutions with some historical resonance. This approach would aim to build popular support for democratic institutions which are not simply pale replicas of Western models.

Summary and Conclusions

1. Democratic transitions in sub-Saharan Africa remain limited in number and scope. Those that occur involve a transition from weak authoritarianism to weak and fragile democracy. Nonetheless, political liberalization is desirable. It provides a political space in which people can defend themselves against tyranny and strengthen civil society. It also, on balance, strengthens the political preconditions for economic adjustment and growth. Weak authoritarian regimes

offer the worst prospect: human rights abuses linked to a predatory state apparatus.

2. Strong executive commitment constitutes a political precondition for economic reform. Rarely does this commitment flow from the influence of the social classes and other social forces that underpin a regime. Rather, political leaders who depend less than others on prevailing clientele networks, and who believe that existing state-led strategies will fail, are most likely to embrace market-oriented reforms. Political liberalization will probably foster the requisite political will, but only indirectly: by making political survival dependent upon good economic performance. Nonetheless, to persist with policies that alienate many supporters, political leaders need to 'own' adjustment programs. Ownership requires that African governments have an important input into the design, sequence, and pace of economic and institutional reforms. This, in turn, demands flexibility on the part of the donor agencies.

3. Bureaucratic competence and responsiveness to central control represent a second politico-administrative condition for effective reform. These form part of the politics of economic reform in the sense that it was the initial exaggerated politicization of the bureaucracy that weakened its efficiency and discipline in many countries. Administrative reform will generally require, among many other things, diminution of clientelist criteria in administrative decisions, though not the purging of such criteria . Realistically, though, bureaucratic capacity will not significantly improve in the next few years. Therefore, those economic reforms that do not require extensive administrative regulation are more likely to be successfully implemented than those that do.

4. Committed governments also need some autonomy from social forces centered on the patrimonial state and the support of a pro-reform coalition in order to sustain economic reforms. Democratization, if genuine, will generate short-term popular support for a reforming government. But this government's success in retaining popular support will depend to some extent on whether economic reform preceded or is coterminous with political liberalization. The latter situation is more unstable. It is difficult politically to manage reform when the short-term losers are vocal, strategically located, and organized, whereas the potential beneficiaries rarely experience benefits in the short term and are in any case unorganized, ambivalent, or passive. However, political liberalization, though poorly attuned to demand-restraining stabilization, enhances supply-side adjustment. Open decision making, competitive elections, accountability, and independent judiciaries can generate the confidence without which investors will not invest. East-Asian-style authoritarian-developmental states, which might more effectively promote and orchestrate a supply response, are not on Africa's agenda. Hence, for economic as well as human rights reasons, democratic regimes, albeit weak and fragile, are the most desirable option.

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Comments on Economic Reform and National Disintegration

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My main point concerns the failure of the dominant "Politics of Economic Reform" discourse to consider the impact of economic reform on national cohesion and nation state formation (for references to the discourse, see Haggard and Kaufman 1992; Nelson 1989, 1990; Lancaster 1992; Sandbrook 1991, 1993). The failure has crucial implications for the sustainability of the reforms as well as for democratisation.

There is a gap between the short-term and long-term preoccupations of the discourse. The short-term tends to be pessimistic: Anti-reform forces are strong and pro-reform forces are weak. The political conclusions tend to be machiavellian, manipulative and interventionistic. There is much talk of timing, sequencing, insulation, muting. The long-term perspective, in contrast, is optimistic, idyllic, participatory and democratic. Economic reforms are expected to invigorate civil society, encourage pluralism and transparency, and the grassroots will be empowered (World Bank 1989, 1991; for a critique, see Beckman, 1992a,b).

What happens to existing national institutions and state structures, existing civil society and democratic forces in the meantime?

There is a spreading awareness that the new nation states that were created as part of the decolonisation process are in serious crisis, often with catastrophic and violent consequences for the peoples concerned as currently in Somalia, Angola and Sudan. In most cases, disintegration is less conspicuous; more of a gradual crumbling of institutions and loyalties, sometimes spoken of euphemistically as "disengagement from the state" (cf. Azarya 1988 and the critique by Gibbon 1992; See also Sandbrook 1985; Hyden 1988, Beckman 1988). Sectionalism is on the rise all over, and religious mobilisation - Christian and Islamic alike - further disrupts a brittle national fabric, threatening people's social and material existence. My colleagues in Nigeria and Ghana look in agony and disgust at the brinkmanship of reckless leaders gambling with the survival of the nation. Detached observers speak glibly of artificial borders and unnatural states ("states by international courtesy" - Jackson 1987) as if disintegration is only "to be expected". The disintegration of states is a gruesome affair, which we are daily reminded of by the reports from former Yugoslavia. The bickering around the Owen-Vance plan also demonstrates the incapacity of existing international institutions of securing the re-ordering of states on more "natural" and "viable" lines, whatever these may be.

Much is at stake: The territorial unity and integration of post-colonial societies; the formation of national state institutions and their development capacity; the formation of national identity, consciousness and ideology; the national cohesion necessary for democratic development.

When current liberalising economic reforms are scrutinised in this context we find not only that they fail to provide positive support for the process of nation state formation, but that they tend to aggravate the crisis. There is an underlying failure to recognise the importance of state nationalism for nation-building and economic development. The failure is related to the suppressed controversy over the content of the economic reforms; the conflict between neo-liberalism and economic nationalism or structuralism.

Let me illustrate with one central aspect of the discourse, the role of the so called "vested interests" (cf. Beckman 1992a). The term refers primarily to groups with a stake in the public sector economy, wage earners and professionals. The dominant discourse is concerned with how to contain, bypass or neutralise these groups and how to insulate committed pro-reform executives and technocrats from their influence (for ample evidence, see Sandbrook 1993).

But such "vested interests" have a high stake in the reconstruction of the national development project which is historically rooted in popular aspirations for expanded public services. They tend to contain the most advanced elements of civil society, teachers, health workers, and other professionals, often with experiences of collective organisation and autonomy, often in the forefront of the democracy movement (Beckman 1990, 1991). Far from being insulated from local communities, they commonly provide the leadership of community associations and welfare societies in their home areas, expected to give voice to community grievances and providing channels of communication to the wider society.

They also [illegible]ong to the most nationally-oriented segments of society, concerned with the unity of a national territory within which they want to be free to move in pursuit of their professional careers and interests. They work in work-places where the coexistence of people with different ethnic and religious background is a daily practice in nation building (Bangura and Beckman, 1991; Andrae and Beckman 1992).

The dominant "Politics of Economic Reform" discourse is preoccupied with the capacity of these groups to obstruct reform. There should be more concern with their potential for providing an organised, democratic basis for national reconstruction.

There is much talk about the need for "consensus" but the essence of democratic politics is not consensus but the accommodation of conflicting interests. The dominant discourse tends to be hostile to democratic politics (cf. Thomas Callaghy's intervention at the workshop). The international development community should be more concerned with the non-democratic features of their own ideologies and practices.

More countries need to negotiate a **national reconstruction accord**, a negotiated social contract. In this, as in other ways, the democratic forces in South Africa lead the way. But the South African situation also reminds us of the imperative of pursuing policies consistent with national unity and cohesion.

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Comments on the Case of Ghana

by John Toye
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This presentation is organized in accordance with the seven questions suggested by Dr. Sandbrook as appropriate to follow through the main ideas of his paper to the SPA Donor Workshop.

1. Has executive commitment to economic reform been strong? How do we account for the degree of support?

   Executive commitment to economic reform in Ghana has been substantial. To account for this we have to understand the personality of J J Rawlings. Rawlings is something of an "outsider" in his own country, being half Ghanaian by birth. He belongs to a minority ethnic group, the Ewe. Politically, he was never a serious neo-Marxist, nor is he now an intellectually convinced neo-liberal. He is an anti-corruption zealot who tried radicalism and is now using neo-liberalism to rout out rent-seeking. His ambiguous attitude to foreign investment in the late 1980s is indicative of his true attitude; he sees himself as a national saviour and purifier, and is aware of the potential for malpractice by multinationals, even when he is supposed to be attracting their investment.

   The sources of his support have been a dedicated and long-serving technocratic team, especially Kwesi Butchwey and Joe Abbey. He weathered a series of attempted coups in the period to 1986 (some of which were the stuff of comic opera), because he kept the support of the armed services and the internal security service. Urban discontent through this period was not greater because, unlike Zambia, Ghana did not have food subsidies to be abolished in the course of economic reform. Political institutions to express dissent did not exist; the government controlled the press and traditional political activists largely maintained a passive silence.

2. Has political liberalisation augmented or undercut executive commitment?

   Political liberalisation in Ghana only began in 1988 with district assembly elections, but has now moved on to Presidential and National Assembly elections. These have been certified by Commonwealth observers as largely free and fair. The main result has been to give Rawlings the electoral legitimacy he lacked after his initial executions of his predecessors - a brutal offence in Ghana's political culture. There are parallels here between Rawlings and Napoleon III in C19th France. It is not clear that political liberalisation has had any very marked effect on executive commitment to economic reform. To some extent the political liberalisation in Ghana is still very shallow and superficial, as opponents are fragmented and have withdrawn from the field.

3. Have key governmental decision makers influenced the design, sequence and pace of economic and institutional reform ... do they have a sense of ownership for it?

The answers to these questions are to be found (accurately, in my view) in Sandbrook's paper. But it is interesting to note that the degree of independent action by the Ghana government rises as the economic reform process goes forward, and compliance with Bank/Fund notions of what is required falls off somewhat. This illustrates the changing bargaining power of Ghana vis a vis the Bank and Fund, once it became established as a showcase for successful reform in Africa - the phenomenon which I describe as "reverse leverage" in Aid and Power.

This also illustrates the ambiguity of the phrase "ownership" of reforms. Does "ownership" mean believing in the recipes of the World Bank, or independent of reforms which can sometimes go increasingly against World Bank advice about their design and timing?

4. What has been done to augment bureaucratic efficiency and accountability?

The Ghana civil service became seriously overstaffed and substantial retrenchment (though not yet enough) has taken place since 1985. Plans have also been made to raise salary levels and to increase salary differentials in the civil service. But this process has been limited by the need to keep the budget deficit in line.

A serious weakness remains at the middle level of the bureaucracy, which means that too much of the detail of economy policy planning gravitates upwards to the small team of top technocrats. Attempts have been made by donors to give consultancy contracts to local bureaucrats, but this device has a rather small potential. There has been only a slight back-flow of returning skilled people to Ghana so far.

In terms of accountability, the creation of a National Assembly and a system of 110 district assemblies has so far had no serious impact.

5. To what degree have political leaders insulated state agencies from vested interests?

In Ghana, the problem has been one of de-insulating state agencies which had themselves become vested interests. In particular, the Cocoa Board and the defence establishment had become substantial vested interests within the state. In the case of the Cocoa Board, its activities were protected by the government because it provided an important source of government revenue. The defence establishment was protected from normal expenditure scrutiny because it has been the main power base for the Rawlings regime. Economic reform has involved a gradual reduction in those layers of insulation. In other words, the assumption of the question, that there are powerful interest groups in civil society which have captured government agencies is not the relevant one in Ghana.

6. Has political liberalisation reduced the influence of patronage in the allocation and use of public resources?

Not really. It is possible that it has worked the other way around. The 1988 decentralisation of tasks to district assemblies may be seen as a device to use public resources to buy support for the government at local level, since the assemblies do little revenue-raising and rely for most of their resources on the central government.

7. To what degree is the elected government supported by a pro-reform coalition of social forces for whom economic liberalisation promises benefits?

Once again, the Ghanaian case appears to be a perverse one. The obvious beneficiaries of the economic reform have been the cocoa farmers of Ashanti and Brong-Ahafo, but they voted against the Rawlings regime in the 1993 elections. This may have been on grounds of ethnic loyalty. The government's appeal has been a general, national one. This is in line with Rawlings' stance as a national leader, radically divorced from the old, sectional politics, and has been backed up with a broadcast, rather than a targeted distribution of public resources - e.g. through the PAMSCAD programme and using the district decentralisation mechanism.

For Session IV
April 15, 1993
2:00 PM

"THE IMPLICATIONS OF POLITICAL CHANGE IN AFRICA FOR SPA DONORS"

by David Gordon
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and

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Introduction

The winds of political change have blown strongly across the African continent since 1990, igniting political protest and generating political reform. All around the continent, the political formations -- single-party states, individual rule, military dictatorships -- that dominated the African scene since independence have come under unprecedented pressure from popular protests and new political movements. Political change is a fact of life in over twenty-five African countries, and continues to spread. But one of the major themes of the papers prepared for this workshop is that the outcome of this process is very unclear and that there is a wide range of variation among African countries. In general, the process of political liberalization -- the weakening of authoritarianism and the opening up of wider opportunities for political participation -- appears to be far more certain than does the process of democratization -- the creation of new political institutions that entrench the principles of popular sovereignty.

The papers prepared for this workshop suggest that three major factors explain recent political trends of protest and reform in Africa.

The first factor is the failure of Africa's existing political formations. These regimes promised effective economic performance and rising living standards through state-directed development and through heavy regulation of the private sector. In return, they claimed the right to maintain a centralized and authoritarian system of governance. With very few exceptions, African states have failed as promoters of development. This failure served to substantially weaken their claims to political legitimacy, especially among urban middle classes who have formed the core constituency for reform efforts all over Africa.

The second factor explaining protest and reform has been the fallout from the collapse of communism in Eastern Europe which discredited socialist and statist models of government while at the same time undermining the confidence of many African ruling blocs. Simultaneously, it spurred political protest by those disenchanted with the status quo who became emboldened by the success of popular movements in Eastern Europe. Finally, it put the issue of democracy on the agenda of donor countries.

The third factor explaining protest and reform is the cumulative impact of economic reform endeavors. This impact has been felt in two very different ways that paradoxically have been mutually reinforcing. While efforts at economic reform provided the initial target of many of the urban middle-class protest movements that later became more deeply politicized, at the same time the logic of economic reform suggested to the same urban middle-class the need for deeper institutional and political change. This two-sided impact of reform is seen in the ambiguous attitude of many of the new political movements towards economic reform efforts. For example, the opposition MMD in Zambia both criticized some of the government's stabilization initiatives as being too harsh, while at the same time calling for fuller implementation of structural adjustment measures. A similar attitude was taken by the Kenyan opposition.

The papers prepared for the workshop broadly agree that Africa's institutional setting, social structure, and political culture unfortunately provide a weak base for the construction of democratic polities. The deterioration of state capacity under the impact of the economic crisis will make it very difficult for new regimes to democratically manage the increased political participation generated by political liberalization. A large and poor peasantry, a small industrial working class, an expanding urban underclass, and a tiny privileged group of state-dependent bureaucrats, politicians, professionals, business persons and land-owners, as one sees throughout much of Africa, do not make up a class structure that disperses power and facilitates political accommodation. Finally, what Bratton refers to as the "neopatrimonial" political culture is unlikely to change quickly, and will make successful democratization even more problematic.

But while the future of democracy is thus unclear in Africa, all of the authors believe that the events of recent years have had, and will continue to have, a positive impact. Especially important has been the placing of new issues and ideas on the African political agenda. These include the end of arbitrary regulation and state exaction, the recognition of basic civil and political liberties, and greater transparency and accountability in public decision-making. The projection of these governance issues into open public debate is certainly a positive outcome of recent events. It suggests that even a little democratization is almost certainly a good thing in Africa.

Nor should the weak basis for democracy in Africa be taken as a permanent condition. In the short-run, the most important factor that can support the democratic trend is strong economic growth. Rapid growth, and an expanding private sector, will lessen the premium on political power and ease social tensions by raising living standards for all. But is rapid growth possible in the context of political reform? What might be the impact of liberalization and democratization on the process of economic reform?

The relationship between political liberalization and economic reform is remarkably understudied, especially vis-a-vis Africa. Research that does exist from other parts of the world suggests that while political liberalization and economic reform are mutually reinforcing in the long run, there is significant potential for short-term tensions between the two processes. In the initial stages of political liberalization, economic reform is almost invariably put on hold as contestation between incumbents and challengers dominates national agendas. As discussed earlier, the economic protests that later became politicized generally began as conservative reactions against economic reform. Regimes that are eager to contain popular protest and minimize political concessions will sacrifice economic reform initiatives, especially if they begin with limited political will. The run-up to elections in newly-liberalized polities will also strain economic stabilization efforts, in particular the maintenance of budgetary discipline. Van de Walle suggests that economic reform will be most difficult in countries with unresolved political transitions, citing the examples of contemporary Zaire, Cameroon and Kenya.

Both van de Walle and Sandbrook believe that, in the aftermath of successful political transitions, the prospects for economic reform are somewhat improved. The conflict between political liberalization and economic reform is likely to be less severe in Africa than elsewhere in the developing world since Africa, with some possible exceptions, has never had successful "developmental authoritarianism" on the Asian and Latin American models. The timing of political liberalization in Africa also mitigates conflicts between political liberalization and economic reform. The overwhelming global trends of open market economies and political pluralism mean that there is no credible alternative to economic liberalization. The demise of cold war ideological struggles means that domestic politics will be less vulnerable to compromise-limiting ideological-based conflicts, creating more space for practical compromise. Both authors stress the "new broom" effect of enhanced legitimacy of new regimes to undertake reform measures.

Beyond electoral pressures that will make the maintenance of stabilization efforts difficult, there are three dangers to broader economic reform in new democracies. The first is that new players will reject policy advances already achieved simply because they are identified with the old regimes. The second is what might be called the "Indian model" , where fractious politics and multiple payoffs to powerful interests prevail. Third, there is the danger that economic policymakers will not be able to gain insulation from day-to-day political pressures. Here there may be a tension between the twin goods of political accountability and technocratic insulation.

Recent experience in Asia and Latin America does not suggest that economic reform efforts will necessarily be subverted by political democratization. Even in those poorly performing countries, reform efforts have withstood electoral tests where economic conditions prior to reform were broadly believed to be disastrous and unsustainable. In strongly performing countries, reform efforts have been sustained even in the face of major political change. The experience of Chile, where the economic policy baby was not thrown out along with the authoritarian bathwater, offers hope to those who fear the economic effects of democratization.

With these themes in mind, let us now explore more directly the implications of the recent political changes in Africa for the SPA donors' efforts to promote economic reform.

Reform Content

There are several important issues regarding the implications of political liberalization for the content of economic reform programs: Are economic reforms easier or more difficult to implement in liberal political systems as compared to authoritarian systems? Are there particular types of reforms involving both economic policies and governance that are easier/more difficult in democratic rather than authoritarian systems?

Among development scholars and practitioners, there are still those who believe that economic reforms are more easily implemented by authoritarian governments since they can often ignore the protests of economic interest groups adversely affected by the reforms. Others believe that economic reform programs are likely to be more effective and durable when implemented by democratic governments which must gain support for the reforms by key societal interest groups. With a broad based consensus on reforms, it is argued, the reform programs are more likely to be implemented fully and maintained. It is also argued that good governance is important for successful economic recovery and development, and is more likely in democratic systems that are open and accountable to their peoples.

Empirical evidence suggests that it is less the form of government and more the strength of the executive that determines the effectiveness and durability of reform programs. Strong executives in authoritarian and democratic systems are more able to implement effective reforms than weak executives in either system. There is also evidence to suggest that good governance (particularly in the area of economic management) is not guaranteed in democratic systems nor is it precluded in authoritarian ones. The Korean economic miracle occurred under the leadership of authoritarian governments; democracy in The Gambia has not ensured good economic governance.

The problem with these debates is that they are conducted at such a high level of aggregation that they miss important distinctions between types of reform programs and types of regimes. More relevant to the challenges facing foreign assistance donors are the issues involving the <u>content</u> of reform: Are there types of reforms that are more easily implemented once a government has liberalized politically? Are there types of reforms that are more difficult in such governments? Does the degree of political liberalization affect the types of reforms that can be implemented?

In answering these questions, there is an important issue to resolve: What has been the impact of political liberalization on key constituencies whose support or opposition to reforms affected their implementation? In most countries which have moved from authoritarian to democratic systems, a new political elite has taken power and the old patron-client networks have been eliminated. There are two areas where such networks appear to have played a role in blocking economic reform programs: financial sector reform and trade liberalization.

Before financial sector reform efforts, the banking system (whether under direct government control or not) was an important channel for resource transfers to cronies of the authoritarian leadership through unsecured loans or loans that neither lender or borrower ever expected to be repaid. A new regime may not be able to collect on those past loans but may be able to establish new banks and regulations that will ensure that they work as commercial rather than as political institutions.

Trade liberalization opponents, whose enterprises had survived because of government largess and protection from foreign competition, saw the reduction of trade barriers as a threat to their business. A new regime will not feel the same obligation to protect the economic interests of the crony capitalists of its predecessor and may be able to implement trade liberalizing reforms more expeditiously. (This is not to argue that the only blockage to trade liberalization was the crony networks of the previous regime. Trade liberalization may simply be less difficult in a new regime but not without problems. In the CFA countries, for example, trade liberalization in the absence of a devaluation of the CFA franc would destroy even efficient domestic industries and so would be unwise no matter what regime is in power.)

One set of reforms urgently needed no matter what type of regime is in power is reform of the civil service. This involves not simply downsizing the civil service (which is too large and too expensive in most African countries), but improved organization to operate more transparently, accountably and effectively. The weakness of the civil service in African countries is a binding constraint on development. There are a number of countries, such as Kenya, where the capacity of civil servants is high but the organization and leadership of government agencies and state-owned enterprises severely constrains public servants. If these other reforms are not addressed, capacity building alone will not make the civil service in African countries -- and by extension, the governments of those countries -- any more effective in managing their economies and polities.

Civil service reform, however, may be one of those reforms that is more difficult in newly democratic regimes, particularly reforms involving lowering of wages or employment levels which adversely affect the interests of unions. In a number of countries, the unions are now important political players in the political system, and have played roles as important allies of reform minded governments faced with opposition from the military. However, such reforms are not impossible, and have been successfully implemented in Benin, for example.

While Benin successfully reduced the size of the civil service, a host of other painful reforms could prove politically unmanageable for a newly elected government. Economic reforms in Benin suggest an additional point. Negotiations with unions representing public service employees on economic reforms directly affecting their members are probably unavoidable in new democracies since unions retain a measure of political influence as well as the ability to damage the economy through strikes against policies they dislike. However, it is not impossible to obtain union agreement to painful reforms like downsizing the civil service -- if governments have something positive to offer the unions in return, for example, severance payments or modest increases in wages of the remaining civil servants.

The government of Benin pursued both of these tactics in obtaining union agreement to civil service retrenchments and lower increases in wages than union leaders had been demanding. Compensatory payments and side payments may both become essential and explicit elements in reform programs in new democracies where those reforms require agreement by representatives of politically powerful groups whose interests are harmed by the reforms. (This point can be extended to downsizing military employment and expenditures.)

More generally, where economic reforms adversely affect a significant proportion of the politically active population (such as reductions in subsidies for transportation or basic staples), it may also be important to ensure that some aid is used to finance visible signs of economic improvements such as rehabilitating schools or health clinics. These types of activities may be especially needed in countries where the benefits of economic reform (specifically, the anticipated rise in private investment) are likely to be slow in coming, making symbols of economic progress critical for the political sustainability of reform programs as well as the governments implementing them.

Political liberalization can affect the implementation of one other important type of reforms: those involving governance. Authoritarian regimes will usually resist reforms intended to strengthen legislatures, judiciaries and other key political institutions. But newly democratized regimes, fresh from battling for more open, accountable political systems, will usually be open to external advice and assistance for such reforms -- at least in the early stages of its existence. It might make good sense for external donors to be prepared to provide aid to help legislators gain more access to the information needed to make them more effective participants in national decision making -- not only providing them with training but helping to finance the local equivalent of a "Congressional Research Service". Judges and lawyers often need retraining as well as better access to legal materials. Political parties can be aided not only with advice but with materials (computers and so on). The media which must play a key role in an open and accountable political system, often is in urgent need of training, equipment and information. (Journalists frequently have an especially difficult time in reporting accurately on economic issues.) Donors need also to consider what measures they can take to persuade and create incentives for the military to remain out of politics for they may prove the greatest threat to the survival of democratic regimes in Africa. There is much to be done in all of these areas. And the ideal moment to offer assistance is at the very beginning of newly elected regimes -- before they come to regard the legislature, the judiciary and the media as annoying constraints on their freedom of action.

We have thus far been examining economic reform issues in newly democratic societies. But many states in Africa have implemented only partial political reforms and the old political elites, with their long established patronage networks, have remained in power. These may be the regimes where economic reforms are most difficult. A political mobilized population is already discontent with economic decline, the impact of past economic reforms and the absence of full political liberalization. They will likely be less tolerant of any economic reforms the regime tries to implement where those reforms adversely affect them. And the likelihood of demonstrations, strikes and riots against reforms turning into demonstrations against the regime will make the regime reluctant to implement politically painful economic changes, such as civil service reforms and reductions in subsidies. At the same time, the patronage networks which have so benefitted from economic abuses and corruption in the past are still in place, able to resist reforms that adversely affect their interests. It may be necessary for external donors to concentrate on persuading these partially liberalized governments to liberalize fully before they contemplate ambitious programs of economic reforms.

Reform Process Issues

The international donor community has been at the forefront of promoting economic reform in Africa. While some observers have tended to overstate the role of the donors (by not recognizing the inevitability of some sort of adjustment given the depth of economic crisis in most African countries), both the content of reform and the reform process have been definitively shaped by the active involvement of the international community. The role of the donors has been particularly important in: putting the ideas of economic reform on the agenda of African policy-makers; diffusing the analytical underpinnings of structural adjustment to African technocrats; and providing financial incentives for coherent, as opposed to "ad hoc," adjustment in the context of deepening economic crisis.

At the center of the donors' approach to the promotion of economic reform in Africa has been conditionality, the agreements between donors and recipients that exchange financial transfers (either grants or loans) by the donors for policy changes by the recipients. While never publicly articulated, the donors brought an implicit political strategy to their efforts to promote economic adjustment. This strategy involved gaining leverage over recipient governments through the carrot and stick of conditionality; and using that leverage to diminish the role of the state and to shift influence over policy decisions from politicians to technocrats, who could be insulated from day-to-day political pressures. Thus, policy conditionality would serve to initiate the reform process, while empowering technocrats, and providing them with autonomy, was viewed as the instrument for sustaining policy reform.

Throughout most of the 1980s, donor efforts to generate economic reform focused on gaining the support of key decision-makers -- senior politicians and, especially, top economic technocrats. Individuals such as Philip Ndegwa in Kenya and Mamadou Toure in Senegal became crucial interlocutors between donors and African heads of state. This approach corresponded to the hierarchical structure of the institutional arrangements that dominated the African political landscape. Donors have believed that technocrats could rise above petty political rationality, especially if backed by the resources of conditionality-based donor programs. Donor strategies were marked by efforts to buffer technocrats from political pressures in the short-run and to create more "rule-driven" mechanisms for policy choice that could be supervised by technocrats in the long-run. What was envisioned was a leaner, but much more effective, state with policy-making dominated by an empowered technocratic elite.

Ironically, despite the critique of the African state implicit in the donor approach to policy reform, donor strategies corresponded quite nicely to the apolitical rhetoric and hierarchical nature of the existing African regimes, and, in fact, sought to shift from one narrow focus of decision-making, i.e. top politicians, to another, i.e. top technocrats. In addition, while the content of donor programs have put increasing emphasis on the governance theme of the need for transparency in public institutions and governmental operations, the processes by which donors have interacted with African governments on policy reform have been far from transparent. On the contrary, donor - government relations on economic reform remain under a shroud of secrecy.

Donors have had some success in some countries with this top-down approach of conditionality and empowering technocrats. In particular, conditionality has been successful in initiating reform programs, especially in areas that are simple to monitor and are not administratively intensive. Exchange rate management and food pricing policy are examples of issues in which reform has proceeded well in a wide range of states. In some countries, technocrats have gained greater influence. In Malawi, for example, President Banda was successfully removed from direct control over Press Holdings and decision-making power was given to technocrats. In Benin, the government created a "Structural Adjustment Board" that was independent of the dominant party.

But, conditionality has been much less successful in sustaining economic reform programs or in facilitating reforms that are administratively and politically complex. Donors have not had much success in leveraging more permanent shifts in authority towards technocrats. Sensing the donor strategy, a number of governments (Kenya, Tanzania, Senegal) have increased the influence of technocrats during the run-up to key negotiations with donors, only to have their influence reduced after the agreements have been concluded. In many if not most countries, the most skilled technocrats have all but given up their responsibilities as economic managers to become full-time fund-raisers in search of quick-disbursing, policy-based financing.

Rather than leading to fundamental policy transformation and dynamic economic growth, donor efforts to promote economic reform have generated what might be called the "partial reform" syndrome, where a willingness to initiate adjustment measures is not supplemented by the basic institutional and attitudinal changes needed to carry through a transformation to market-oriented and private sector-led growth. Adjustment efforts have some success in eliminating the worst distortions and in restoring low-level economic growth, but do not really transform either policy-making or the overall economic environment.

The limited success of donor efforts to promote economic reform in the period preceding the onset of recent political changes in Africa reinforces other points made by van de Walle and Sandbrook that suggest that political change may be less threatening to economic reform than some observers have stated. Nor has the political sustainability of reform only been made problematic due to political liberalization. Even before the political crisis of African authoritarian regimes emerged in 1989, the World Bank and other donors were becoming concerned about the political dimension of the sustainability of reform. Their response was to emphasize the need for host-country "ownership" of the adjustment program and process. But the notion of "ownership" has never been clearly defined, nor does it appear to have had much real impact on how donor policy reform programs are in practice undertaken.

How might donors modify the processes by which they undertake activities in support of economic reform in Africa to take into account, and support, the new trends of political liberalization. The following are offered as ideas for the SPA donors to discuss and consider, rather than as fully-articulated recommendations.

1. Donors involved in policy reform should consider making more explicit efforts to ensure that the central governance themes -- transparency, accountability, rule of law, and participation -- shape their own efforts to promote economic reform in Africa. This would imply, in general, a more open approach to the information and analysis generated in the preparation and supervision of donor-assisted programs. Indeed, it would make the free flow of information a major theme of both the content and process of economic reform. It would also bring anti-corruption themes to the top of the agenda. It would imply that conditionality agreements become more straight-forward and monitorable. And it would imply that donors would encourage governments to involve a broader range of actors, both governmental and non-governmental, in the design and implementation of programs. These "reforms to policy reform" would necessitate substantial changes in the procedures of many donor agencies, and are likely to be resisted by host governments, even those that are newly-democratic.

2. Political liberalization creates an opportunity for donors to move away from the "top down" pattern of policy reform that dominated their efforts in the 1980s. The political sustainability of policy reform in the new political environments will

demand far greater attention to political base-building than was the case in the 1980s. While newly democratic regimes in Africa are likely to be more serious about economic reform than their predecessors, they also base their legitimacy on a more participatory policy process. Sustaining economic reform in this context is likely to necessitate donors paying more attention to the processes by which policies are made and implemented. In the past, donor agencies have focused too narrowly on the content of policy. Donors can assist governments in 1/ ensuring that a range of inputs, especially from those affected by and those responsible for implementing policy, are brought into the policy process; 2/ building the institutional capacity to manage a broad-based policy process; and 3/ creating the capacity to effectively implement and monitor the impact of policy. They can also support "accessory" packages, whose main rationale is to enhance the overall political viability of economic reform. The details of such packages are described below. A range of such activities are being initiated in Eastern Europe and the states of the former Soviet Union. Such an approach involves going well beyond the existing donor efforts to build domestic "ownership" for economic reform.

3. A more open political environment means that donors should consider taking political issues more seriously at the design stage of policy-oriented programs, especially in longer-term, institutionally-oriented sector assistance programs. In such a case, reform "front-loading" is not possible, and effective political analysis may have an important role to play due to the possibility that government's commitment to the program is limited and/or the possibility for political de-railing is present. Donors might build political analysis into the design process itself, in order to better ensure that the outcome of the process is a politically feasible program. In addition, the design process itself can be structured in such a way that the political feasibility of the program is enhanced. Such an approach would more explicitly accept the limited leverage of conditionality. A thorough political economy analysis that begins at the very early stage of program design can throw light on a range of political elements that will have an important impact on whether or not a program is likely to work. Such an analysis would examine the decision-making process within the issue-area to be addressed by the reform program. It would analyze who the main "stakeholders" are and how they are likely to be affected by various reform options. Finally, it would explore the process by which the particular policy and/or institutional reforms will flow through the bureaucracy, and assesses the ability of the institutions involved in implementation to actually get the job done.

Such political analysis can facilitate both the design of the program and an effective dialogue with government. For instance, decision-making analysis is especially important in determining who in government are the key policy-makers and for structuring the policy-dialogue. The "stakeholder" analysis is especially important in assessing the potential for active opposition to the reform process and in deciding whether a "frontal assault" approach or a more gradual approach is likely to be more appropriate. Understanding potential winners and losers will allow dialogue between donors and governments over whether or not the policy reform agenda should include some "compensation" for losers as a means of diminishing opposition to reform. Side payments - even if largely symbolic - to powerful groups opposed to reform to offset the impact of reforms on their interests is but one possibility. PAMSCAD in Ghana, ostensibly intended to offset the social impact of adjustment on the poor, also promised to provide jobs for some of those released from government employment. While never large enough to make a substantial impact on its targeted beneficiaries, PAMSCAD was a useful political symbol for government's continuing concern with social welfare. These types of programs will be especially important in public service reform programs aimed at reducing the size of the civil service.

4. Donors should consider deepening current efforts to build collaborative procedures for the analysis and design of programs. The political viability of policy reform programs are likely to be enhanced if the analytical and design processes are highly collaborative. Such collaboration should include voices from both government and from non-governmental actors who are expected to play an important role in the aftermath of the reform, especially the private sector. Such an approach might improve political viability in several ways. First, collaborative technical analysis and design will increase the likelihood that host government (and private sector) participants will feel "ownership" towards the policy and/or institutional reform package developed, rather than seeing it as a donor intrusion. Second, collaborative analysis and design gives all involved insight into the assumptions that various actors bring to the process, and will help generate specific ways in which political feasibility can be combined with economic good sense. Finally, collaborative technical analysis and design will give insight about whether specific "side-payments" might be needed to sustain the reform package.

Governance

Both bilateral and multilateral donors are committed to supporting "better governance" in Sub-Saharan Africa. Few would disagree that good governance is necessary for development. But promoting good governance (and penalizing poor governance) with aid is complex. The first problem is the definition of "governance". Bilateral donors have generally identified good governance with democracy and most have announced that their aid will be tied to progress toward democratization (though not all have acted in accordance with their statements). The definition of good governance by multilateral donors has been less clear. This appears partly due to a lack of clarity in staff thinking in these organizations and in part the organizations' inability to come out explicitly in support of democracy due to the perceived limitations imposed by their articles of agreement. (The World Bank appears at times to have gone beyond these perceived limitations in pressing several African governments to implement political reforms.)

The lack of clarity and coherence in donor policies supporting good governance raises several problems. The first one is coherence among donor agencies. If donors are to condition their aid (including aid in support of economic reform) on political reforms, they will fail unless they act consistently over time and in a coordinated fashion. It is no good for the bilateral donors to withhold aid because a government has had a fraudulent election or no election at all while the multilaterals continue to lend to that government because its economic reform record is good or because it is relatively honest. And it is pernicious for donors to declare their support for democracy one time and appear to back off of that support another time.

The problem of coordination has yet to be addressed fully. For political conditionality to be effective and credible, the World Bank and the IMF would have to support donor policies denying development aid to African governments -- for example, to the present government in Kenya -- where those governments had failed to implement adequate political reforms. This may mean that the articles of agreement of these institutions need to be reinterpreted. This is a controversial point but it is simply another logical step in the evolution of development thinking in these institutions, particularly in the World Bank. If was first thought that aid could support development through financing productive investment projects. It was discovered at the beginning of the 1980s that investment projects could not promote development where a country's overall economic policies were unsupportive of development. So aid shifted to financing economic reforms. But economic reforms failed to bring about a significant improvement in economic performance in Africa. In 1989, the Bank pointed to the problem of governance as a further bloc to development. It is only logical that obstacles relating to poor governance must be removed if development is to proceed. And while the Bank has not openly pointed to the need for democratic polities as key to removing those obstacles, the institution's emphasis on transparency and accountability appears to imply democratic political reforms. The Bank needs to accept the logic of its past arguments.

A second dilemma involves the specific criteria for providing or withholding development aid in response to democratic reforms and good governance. Should development aid be provided only when recipient governments have crossed a notional "threshold" of democracy -- for example, have permitted freedom of speech and assembly, have held free and fair elections and have permitted the winner of those elections to take power? Or should aid be based on a scale of democratization where a little bit of political liberalization is rewarded with a modest amount of development aid and greater strides towards democracy are rewarded with larger amounts of aid? The increased freedom of speech and the permission to form opposition parties would, in this case, provide the basis for the resumption of modest aid programs to Kenya (provided the government did not reverse those reforms) even though the elections were flawed.

We propose here a governance strategy to guide the provision of program aid by all donors: that the most sought-after economic assistance -- fast disbursing aid associated with economic reform programs -- be provided Africa governments only if they meet the following criteria: (a) meet internationally accepted standards of human rights behavior; (b) are prepared to implement and maintain acceptable economic reform programs; and (c) have implemented political reforms including freedom of speech consistent with internationally accepted norms, freedom of association and assembly (including the right to form political parties) and have held free and fair elections and continue to do so. In reality, most aid recipients already meed the first criteria. In theory, program aid is already conditioned on the second criteria. The third criteria would set minimum political conditions for receipt of program aid. (Emergency assistance and project aid need not be included in this strategy on supporting good governance in Africa.) Not only does this approach make good economic sense, ensuring that the aid were used responsibly, but it makes good political sense. Many observers of Africa believe that the many social and economic problems of the region -- low literacy rates, low incomes, ethnically and religiously divided societies, militaries used to wielding political power, the absence of a middle class, a poorly developed civil society -- will prevent democracy from being established and enduring in the region. What they overlook in the case of Africa is the heavy dependence of many African governments on foreign aid and the potentially important role aid donors can play in tying that aid to political reforms. The political reforms themselves, if they are sufficient and maintained, may well lead to the development of conditions which will sustain democracy in Africa long after the aid is withdrawn.

Incentives Issues

Donor efforts to promote economic reform in Africa through policy-based assistance have been complicated by a series of difficult incentives issues. It is important to understand these problems in order to ensure that financial programs intending to promote the reconciliation between political liberalization and economic reform do not end up having a perverse effect.

The record in Africa and elsewhere suggests that policy-based program assistance is not an instrument that can be indiscriminately wielded in a wide range of circumstances. This is not to suggest that program assistance cannot be an effective use of donor resources, but that the potential for misuse is probably greater than in the case of project aid.

Policy-based resource transfers are tricky mechanisms for donors. If they work as intended, the financing provided by donors facilitates policy reform by lowering the political risks attached to it and increasing the speed and likelihood of a supply response. The World Bank's analysis of successful policy reform suggests a "virtuous cycle" in which donor resources, in the context of a firm government commitment to reform, help to close the financing gap and increase the likelihood of private investment while at the same time serving as a source of discipline against policy back-sliding. Examples of such a "virtuous cycle" in Africa are very limited. Mauritius is clearly one; Ghana has some of the attributes, but has not generated the private investment response.

But "policy-based" resource transfers can also limit the imperatives for fundamental adjustment. In a context where government continues to dominate the economic and political landscape, they may promote not adjustment but a restoration of the status quo ante. This was clearly the case in countries like Zaire, Zambia and Liberia; while elements of this outcome have also been apparent in Kenya, Cote d'Ivoire and Senegal.

While African states have had a powerful incentive to <u>enter into</u> conditionality-based agreements -- their desperate need for the foreign exchange that accompanies such agreements-- they have much weaker incentives to <u>implement</u> the conditions agreed upon. The weakness of these incentives derive from several different sources: characteristics of the international system, incentives in donor agencies, and politics in African countries. The most important disincentive to African countries implementing conditionality-based agreements is that non-implementation will often not be sanctioned. While in theory, donors should be able to ensure compliance to programs by threatening to withhold <u>future</u> funding if the conditionality attached to existing programs is not implemented, in practice this does not often happen. In fact, there is a strong bias in the donor community against sanctioning non-compliance.

The multiple roles of the donors -- agents of external interests, promoters of reform, major creditors, and "financiers of last resort" -- largely explain why sanctioning non-compliance is so rare. International pressures on donors to continue to supply liquidity to African states, largely growing out of humanitarian concerns about African poverty and that Africa not fall further behind the rest of the world, undermine the willingness of donors to sanction non-compliance with conditional agreements. Moreover, given that debt repayments may be put at risk if programs are cancelled, the IMF and the World Bank themselves had a growing disincentive to enforce conditionality as their financial exposure in Africa increased throughout the 1980s.

This bias against sanctioning non-compliance is reinforced both by the difficulty in monitoring compliance and by the bureaucratic incentives within donor agencies. Program conditionality is often very difficult to monitor, with the possibility that reforms enacted can be countermanded by other initiatives outside the scope of the program. The resources provided for monitoring and evaluation of conditional programs are minuscule compared to the task involved. In the 1980s, the path to career success in the World Bank was through participation in the design and implementation of successful policy reform programs. Bank staff members have a strong incentive to portray the conditional lending activities in which they have been involved in the best light possible. Similarly, at an institutional level, given the controversy attached to conditionality, the Bank and other donors have a broad interest in enunciating the positive. In such contexts, recipient governments have gained a good deal of flexibility in how (or whether) they implement conditionality-based programs.

This is not to imply that there are never sanctions for non-implementation. When a government publicly repudiates a program, as Zambia did in 1987 and Kenya recently did, some IFI funding does get cut off. Also, governments do have to show some real efforts in order to even qualify for policy-based programs. IMF programs are sometimes discontinued, and World Bank programs usually are only undertaken in the context of an IMF program. But discontinuance, in and of itself, has not heavily damaged a country's ability to re-approach the IMF and the World Bank later and renegotiate a new program. For the World Bank, the main sanction that has been utilized in adjustment lending is the delayed dispersal of funds, not a particularly powerful lever of influence. The point of this discussion is that recipient governments are aware of the very limited sanctions for non-implementation and are thus less likely to feel compelled to implement conditions to which they have agreed.

The limited likelihood of sanctioning creates a context where recipient government officials have an interest in expressing an over-commitment to reform, and in minimizing the potential difficulties, political or technical, they might face in implementing reform programs. Donors involved in economic reform in Africa have been slow to acknowledge the inherent problems that the process of conditionality entails. In general, the entire conditionality "game", whereby donors attempt to "buy" as much reform as they can with a given amount of money, while recipient governments try to get as much money from the donors as they can for as little reform as possible, draws government attention away from the serious need for economic restructuring by creating a context in which the benefits of reform became identified as increased donor resources rather than improved economic performance.

Decisions concerning economic reform all too often become responses to external pressures and attempts to maximize external resource flows rather than efforts to grapple with imperative domestic problems. African governments have been quite successful at this side of the economic reform enterprise; during the 1980s, foreign aid as a proportion of GDP for Africa as a whole almost doubled (in the past twenty years, the proportion of total development assistance received by Africa has more than doubled to over one-third of the global total). Just imagine what might have been achieved in the areas of economic growth and poverty reduction had similar serious effort been placed there. Unfortunately, real GDP growth in Africa has slowed in each decade since the 1960s, and, thus far, economic reform efforts have failed to reverse this trend.

This discussion of incentive problems with policy-based assistance needs to be kept in mind as donors grapple with how to respond to the financing needs of democratizing regimes in Africa. Many of these regimes will find themselves in virtually bankrupt condition, and will seek substantial donor flows. In addition, as noted by both van de Walle and Bratton, thus far newly-democratic regimes have shown considerable commitment to economic reform, with Benin and Zambia being prime examples of this. It might appear that there is an overwhelming case for large donor flows, with somewhat weakened conditionality. In his paper, Michael Bratton suggests such an approach.

But there are also dangers to such an approach. Providing too much aid to quickly to new governments in response to political change can undermine the incentives to implement painful reforms and the incentives for their publics to accept those reforms. (There were some reports that resistance to economic reform increased in Benin because there was a widespread belief that President Soglo had a secret pot of money provided to him by foreign aid donors.) Sanctioning non-compliance with economic policy conditionality is likely to be very difficult for donors in newly-democratizing regimes who will, rightfully, have the goodwill of the international community. Given the likelihood of a very high level of political demands upon such regimes, the incentives to maintain difficult policy choices, especially on stabilization and demand management type issues, will not be strong. Weakened conditionality and a large donor flow, in such circumstances, may have the perverse effect of encouraging the postponement of tough policy measures. This would be doubly unfortunate, since it may very well be that the political capacity for undertaking large and difficult reform is greatest in the early days of a newly democratic regime. The point is that just as too little aid can contribute to the failure of reform programs to be fully implemented, too much aid can play a similar role.

Large inflows of aid can also undermine the independence and credibility of the new regimes and promote the maintenance of patronage networks so familiar in Africa. Political allegiances based primarily on patronage relationships may limit the accountability of government since it will be neither judged nor penalized on the basis of its performance in managing the economy, but rather, on the amount of largess it can spread about. Unfortunately, while the problem of the appropriate level of assistance is an important, there is no easy formula to help decide how much is enough in particular countries. Making that determination will take information, coordination, and savvy political judgment by donors.

There is an additional issue related to the amount of aid provided African countries, especially fast-disbursing policy-based assistance. The dependence of many of Africa's poorer countries on foreign aid is already extraordinarily high by historical standards -- double or even triple the ratio of aid to GDP provided Korea or Taiwan several decades ago. Few believe that relying on foreign governments and international agencies for 15% (or more) of GDP, the entire public investment budget and a large proportion of import financing over an extended period of time can be healthy for a recipient country or its government. For instance, in the 1980s, countries such as Ghana and Uganda received extraordinary levels of support due to their commitment to economic reform. These commitments became, in practice, virtually open-ended. Over time, these resource flows have become less a lever for reform and more of a crutch for regime maintenance.

The continuation of ever-increasing amounts of aid with no termination point provides recipient governments with what is, in essence, a "soft budget constraint," saving them from fully confronting their own economic problems. In such circumstances, populations may resist reforms because they do not believe they are necessary given the amount of foreign aid their governments can expect. Donors have correctly sought to limit "soft budget constraints" in public enterprise restructuring programs and in fiscal and budget reform programs. It is unfortunate that the overall level of aid in several African countries encourages, at the macro level, the same phenomenon.

Thus, while we believe that it is correct for the SPA donors to focus their financial support on those countries that have moved the farthest on political liberalization, donors should avoid the temptation of trying to create "African winners" through a large and long-term commitment of donor resources. Recall that donor efforts to support reform, especially through the cash transfer mechanism, have tended to sustain the partial reform syndrome. This suggests that the over-commitment of donor resources, out of a desire to create "African winners," is likely to be counter-productive. Foreign assistance can never play the central role in creating winners. Asian experience is instructive here. One of the key factors prodding the Koreans and Taiwanese to address their economic policy failures was the prospect that foreign aid (primarily from the US) would soon be sharply diminished. Donors should consider a similar approach to African countries.

While it is appropriate to give additional financial support to newly democratic regimes, especially those undertaking difficult reform initiatives, such special support should be strictly time-bound. One approach for the SPA donors to consider for newly-democratizing regimes is a time-bound package (say, two to three years) of extraordinary support for undertaking economic reform programs in areas that have been the most problematic for past efforts, and were precluded by the very nature of old ruling regimes. A prime example of such an issue would be civil service restructuring. Such an approach would provide an incentive for newly democratic regimes to think big, and to "strike while the iron is hot" on a major reform that addresses key constraints to the effective transition to a market-based economy. But it would be less likely to bring with it the downside of over-dependence upon foreign resources and relinquished responsibility for key policy decisions.

APPENDICES

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Appendix A

Profiles of Resource People

Bakary, Tessy. (Session 1, Presenter). Cote d'Ivoire. Associate Professor of Political Science, Laval University (Canada). Research: Cote d'Ivoire, Francophone West Africa.

Beckman, Bjorn. (Session 3, Commentator). Sweden. Associate Professor of Political Science, Stockholm University. Research: Ghana and Nigeria.

Bratton, Michael. (Session 1, Presenter). USA. Professor of Political Science, Michigan State University. Research: Zimbabwe, Zambia, Kenya.

Callaghy, Thomas. (Session 2, Commentator). USA. Professor of Political Science, University of Pennsylvania. Research: Zaire, Ghana, Senegal, Zambia.

Gordon, David. (Session 4, Presenter). USA. Senior Africanist on the Sub-Committee on Africa or the U.S. House of Representatives Committee of Foreign Affairs. Research: Political Economy, East and Southern Africa.

Ka, Samba. (Session 3, Case Studies Leader). Senegal. Ph.D. candidate, S.A.I.S., Johns Hopkins. Research: Senegal.

Lancaster, Carol. (Session 4, Presenter). USA. Professor, Georgetown University, Senior Advisor to the Administrator of USAID. Research: Democratization and Governance in Africa, and Economic Policy Reform.

Moyo, Jonathan. (Session 3, Commentator). Zimbabwe. Professor, Department of Political and Administrative Studies, University of Zimbabwe. Research: Southern Africa.

Nelson, Joan. (Session 2, Commentator). USA. Senior Associate, Overseas Development Council. Research: Second and Third World.

Sandbrook, Richard. (Session 3, Presenter). Canada. Professor of Political Science, University of Toronto. Research: Africa.

Skalnes, Tors. (Session 3, Case Study Leader). Norway. Researcher, Department of Social Science and Development, Chr. Michelsen Institute, Bergen, Norway. Research: Zimbabwe.

Toye, John. (Session 3, Case Study Leader). U.K. Director, Institute of Development Studies, University of Sussex, England. Research: Ghana, Zambia.

van de Walle, Nicolas. (Session 2, Presenter). Belgium. Assistant Professor of Political Science, Michigan State University. Research: Cameroon, Senegal.

Appendix B

Participants

African Development Bank, Abidjan, Cote d'Ivoire: *Mr. Baelhadj Merghoub, Mr. Toure*

Belgium Administration for Development Co- ~ration, Brussels, Belgium: *Mr. Emile Adraensens*

Canadian International Development Agency, Hull, Quebec, Canada: *Mr. Stephen Free, Ms. Jane Touzel, Ms. Diane Vermette*

Commission of the European Community, Brussels, Belgium: *Mr. Bernard Petit, Mr. Amos Tincani*

European Investment Bank, Luxembourg: *Mr. Martin Curwen*

Federal Ministry for Economic Cooperation, Bonn, Germany: *Mr. Fritz Beimdiek*

Global Coalition for Africa, Washington, D.C.: *Mr. Roy Stacy*

Government of Japan, Tokyo, Japan: *Mr. Kazushi Hashimoto, Mr. Kenko Sone, Mr. Ikufumi Tomimoto*

International Monetary Fund, Washington, D.C.: *Mr. Christian Francois, Mr. Mamoudou Toure*

Ministry of Economy and Finances, Paris, France: *Mr. Hubert Dognin*

Ministry of Foreign Affairs, Copenhagen, Denmark: *Mr. Tom Ostergaard*

Ministry of Foreign Affairs, The Hague, The Netherlands: *Mr. Fred van der Kraay*

Overseas Development Administration, United Kingdom: *Mr. Neil Gregory, Dr. John Healey, Mr. Barrie Hudson*

Royal Ministry of Foreign Affairs, Oslo, Norway: *Mr. Svein Aage Dale, Mr. Oddvar Laegreid*

Swedish International Development Agency, Stockholm, Sweden: *Mr. Johan Brisman*

The World Bank, Washington, D.C.: *Mr. Phil Birnbaum, Mr. Mamadou Dia, Mr. Ishrat Husain, Ms. Katherine Marshall*

United Nations Development Programme, New York. NY: *Mr. John Ohiorhenuan*

United States Agency for International Development, Washington, D.C.: *Mr. John Hicks, Mr. Richard Cobb, Mr. Timothy Bork, Mr. Andrew Sisson*