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Aid to the Sahel

From Colonial Days to the 21st Century

via the Drought of the 1970s:

Change and Continuity

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AID TO THE SAHEL

FROM COLONIAL DAYS TO THE 21ST CENTURY

VIA THE DROUGHT OF THE 1970S: CHANGE AND CONTINUITY

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Twenty years after the event, it may be said that the founding of the Club du Sahel was based on a single idea: that it was appropriate, just after the drought of the 1970s, to increase official aid to a region that had been hard hit by the drought, but whose future was not irremediably compromised. Properly guided by a "strategy" and better coordinated thanks to the Club, the aid agencies' increased efforts, combined with those of the Sahelians, were meant to make the region less vulnerable to future droughts and set it on the road to sustainable development.

Over those twenty years, the situation within which the Club operates has changed greatly. The world has changed considerably; sub-Saharan Africa has not been much involved in these changes and the Sahel even less so; official aid to the region has increased, and this increase is perhaps not unrelated to the fact that the Sahel has been spared the tragic situations of some other parts of Africa. But official aid to developing countries began to decline in 1993, the usefulness of continuing aid to the South has been increasingly called into question in the North, and one may wonder whether this downturn in the aid curve, after several decades on the rise, is not a durable trend. Meanwhile net flows of private investment from North to South have increased considerably and are now ahead of aid flows (though this trend affects sub-Saharan Africa very little and the Sahel even less); one gets the feeling that **North South relations are changing**.

So a re-examination of aid to the Sahel is certainly timely. The founding of the Club was regarded as a "contract for a generation" - or rather, a moral commitment to increase aid and not abandon the Sahelians for a generation, made by the OECD countries, with no real contractual clauses. This commitment has been honored, even though the amount of Northern aid did not match up to the dreams of some Sahelians. But what should be done now, in a changed world?

Numerous attempts have been made, or are under way, to evaluate aid and suggest ways of making it more effective¹. The aim of the considerations set out below is different: it is, first of all, to take a detached look at the issue. Aid did not begin with the Club du Sahel; it was born during the colonial period, grew, and continued to grow with the Club. Since aid began, donors have often doubted the relevance of their actions and it has often been said that aid was at a turning-point. The thesis of the present paper is that, **over the long term, there has been more continuity than change in aid patterns**, and that the ideas (or paradigms, to use the academic term) that inspired it have not changed as much as one might think.

How should we be preparing for the 21st century? By business as usual? Doing the same but more of it? Or by beginning to leave the trail that has been beaten over the past seventy-five years?

I. From an ideal of self-supporting colonies to development aid

Tracing the history of aid to its beginnings in West Africa takes us back three quarters of a century - into the colonial period, but not to the early years of the colonial empires.

A century ago, all the colonial powers accepted the doctrine that the colonies must not be a burden on taxpayers at home. They must be self-supporting, with their own budgets supplied from local sources. Even when well-meaning colonialists sought, in the terms of the time, to bring "civilization" to "backward" peoples, their benevolence did not go as far as to provide material aid - or, if material aid was given, it was parcimoniously rationed.

¹ E.g., in particular, the Project on Aid Effectiveness in Africa, coordinated by the ODC.

The concession for the Sahel's first major infrastructure (the Dakar-St Louis railway, inaugurated in 1885), went to a private company, which funded its construction by raising a loan on the Paris market. The other railways were built in principle by the colonial power, but in practice by the military and local people pressed into forced labor, with a modest financial contribution from the colonial power.

This doctrine began to crumble after World War I. The idea began to emerge that the home country must invest to develop its colonies. In France, in 1921, minister Albert Sarraut tabled in Parliament a general plan for the development of the colonies. We give some details of the plan below, not to resuscitate it but because it was one of the first manifestations of a conception of aid that was to prove enduring (see box).

The Sarraut Plan gave rise to very few completed projects because the French parliament did not pass the financing bill, but it remained an unavoidable benchmark until the end of World War II.

For the Sahel, as France had refused to finance the plan, all funds were provided by the French West African Federation (AOF) and raised essentially through customs duties - in other words, from economic rents from tropical farm produce. And as the colonial lobby was watching to make sure duties were not too high, this severely limited investment capacity. Even so, the Sahel did benefit, with the completion of the Thiès-Kayes railway, the extension of the Benin-Niger railway and the building of the first road network, which put an end to the over-exploitation of African porters.

The Sarraut Plan - a precursor

The aim of the Sarraut Plan² was to invest massively and methodically to develop "the main production centers", i.e. "the main deposits of natural wealth, the great bread-baskets, the cash crops, the great forests, the most important mineral deposits".

It included a program of infrastructure construction and productive investment, and an accompanying program of social development intended to foster "broad dissemination of hygiene, better diets, medical assistance, instruction etc."

The Plan was to be funded by loans guaranteed by the French State. Each investment (today we would say each project) had to be evaluated beforehand and approved by the Minister for the Colonies.

The Plan was conceived with the long term in mind: its avowed aim is to prepare for the inevitable future decolonization (a surprising conception for its day) and to conserve "economic and political relations from which the home country will remain the privileged beneficiary". So it is not very surprising that it was so coolly received by parliamentarians who lacked Sarraut's foresight.

The Sarraut Plan is an application of theories that were only to be formulated thirty years later: that of the role of the accumulation of capital in the development process (R. Nurske) and that of centers of development (F. Perroux).

With the 1929 recession, economic rents and investment capacity collapsed. In 1931, under pressure from the colonial lobby, the French Parliament voted a program of loans to make up for the

² Albert Sarraut, *La mise en valeur des colonies françaises*, Payot, Paris, 1923.

lack of local resources. This program too was, in practice, executed only to a small extent, though it was under this program that the first Office du Niger investments were made.

The Popular Front and Vichy governments, in short, drew up programs that were directly in line with the Sarraut Plan and bore no more fruit than their predecessors. The successive projects of the "Fonds national pour l'outillage publique" and "Fonds colonial" financed by the Paris government budget were never completed³.

Large-scale aid to the Sahel only began after World War II, with the first "economic and social development plan for the overseas territories" (1946-1952). There followed two further plans: with the founding of the Caisse Centrale de la France d'Outremer, which gave loans, and of FIDES, the Fonds d'Investissement pour le Développement Economique et Social (counterpart to Britain's Colonial Welfare and Development Fund, set up in 1929 and revived in 1940), which financed investment through donations.

The idea behind these development plans is not essentially different from Sarraut's. They embraced an ensemble of social investments, transport infrastructures, electrical generating plants, and productive investments in large-scale agricultural and industrial projects (several of which were total failures and others bottomless financial pits like the Office du Niger, which absorbed 56% of farm development credits from the AOF).

There are two points to be made about this colonial aid:

- regions not regarded as potential development centers received virtually no investment, or had to wait until the very last years of the colonial period to receive a few social investments (e.g. the Zinder-Maradi region);

- **FIDES investments apart, metropolitan France helped finance running expenses for the most underprivileged colonies, including several Sahelian territories, to an increasing extent. It did so in two ways. It did so directly, by subsidizing budgets (in 1958, Niger received from France almost a billion CFA francs of budget-balancing subsidy); and it did so indirectly, by agreeing to pay over the market price for most tropical farm produce, groundnuts particularly, so enabling local budgets to levy higher taxes than they otherwise could.**

Most of the conceptions underlying aid in the colonial period were already evident in the early 1920s: development was expected to stem from a coherent program of economic and social investment, drawn up by technocrats foreign to the country concerned who defined the goals of development and how to reach them. However, no major investments were made until the 1950s, and these only concerned areas reputed to have a good development potential.

II. From independence to the drought

Independence brought many changes, especially in the amount of aid and the way in which it was allocated, but one cannot say there was any radical change in the underlying conceptions.

³ Catherine Coquery-Vidrovitch, *La politique économique coloniale in L'Afrique Occidentale au temps des Français*, ed. Catherine Coquery-Vidrovitch. Editions La Decouverte, Paris, 1992.

Whereas aid had formerly come only from the colonial power, after independence there was a wider range of donors: the brand-new European Economic Community helped finance investment programs (the principle of EC aid to former colonies was one of the conditions France imposed on the Treaty of Rome). The USA, most of whose aid had previously gone to South and East Asia, began to send aid to Africa, while the United Nations Development Program and World Bank also began to contribute.

French aid in the form of donations was now allocated by the FAC (Fonds d'Aide et de Coopération) instead of the earlier FIDES, and the Caisse Centrale de la France d'Outremer adopted a more suitable name for the new situation, but these changes did not run very deep. When European aid began in the early 1960s, it fell into the same pattern, giving priority to financing transport infrastructures. There was no rupture between the colonial period and the early years of independence; in Paris and Brussels alike, the new aid policies were instigated by former civil servants of Overseas France, so it is hardly surprising that they were strangely similar to those that went before.

The 1960 development model

Almost all examinations of the aid question during the decolonization period (roughly, from 1950 to 1970) considered that the neo-classical theory was incapable of providing a conceptual basis for working out development policy. They saw this theory as a static analysis centered on an effective distribution of scarce resources at a given moment, whereas development is by nature a dynamic process.

All consider that the market alone cannot generate development and that the State must also plan, or at least program, investments (for social infrastructures, transport infrastructures, and also productive infrastructures).

As most countries of the South could not mobilize sufficient domestic savings, aid was regarded as indispensable for executing the investment programs decided on.

Productive investments decided on by the authorities (and carried out by public, private or semi-public bodies) would need to be protected from competition from the industrialized countries at least for a certain period. All the countries of the South, including the future Newly Industrialized Countries, introduced development policies based on import substitution under the shelter of protectionist barriers.

UNDP aid was restricted to technical assistance and financing "demonstration projects". The World Bank group at first financed only major mining projects (MIFERMA in Mauritania), then added major industrial projects (SIES in Senegal), but later diversified, especially after Robert MacNamara became World Bank President in 1968, to major investment projects in other productive sectors.

'In the beginning, the need to help independence along and lay the groundwork for development justified ambitious structuring projects, both in infrastructure and the productive sector, mostly in the public sector. Emphasis was also laid on rural development and agricultural production and on satisfying basic needs (health and education)'⁴. This brief description of aid after independence, by a former aid agency executive, speaks volumes. Moreover, almost all these "ambitious structuring

⁴ Jean-Claude Faure, *Quel avenir pour l'aide publique au développement?* in *La fin du Tiers Monde*, Editions La Decouverte, Paris, 1996.

projects "were designed by technical agents, foreign consulting firms, or civil servants in Paris or Brussels. All this is **still altogether in line with the Sarraut Plan**.

Those countries that tried, at least for a time, to break away from the influence of the former colonial power and the West, merely exchanged French-style planning for that of the Soviet technicians under Gosplan - more restrictive in principle, though hardly so in practice.

. Drawn from a wider range of sources after independence, aid to the Sahel countries increased in quantity, but the underlying concept was not called into question. Development was still expected to be driven by investment programs largely designed by technocrats outside the region.

Nor did independence end the practice of former colonial powers financing the running expenses of their former colonies. Large amounts of budget aid were granted to the most underprivileged countries. These countries, while having to pay the costs of sovereignty, no longer had the benefit (or not to the same extent) of the price premiums paid by the former colonial powers for tropical farm produce. Nor did they now enjoy the solidarity of better endowed countries such as Côte d'Ivoire and Gabon, which fiercely opposed any continuation of institutional links with the Sahelian countries.

Two developments, both equally foreseeable but equally unforeseen, were to perturb the tranquil course of development aid to the Sahel: **the severe drought of the early 1970s**, giving rise to the CILSS, the Club du Sahel and a further increase in aid; and **the economic imbalances of the late seventies** that was to lead to the introduction of the so-called structural adjustment programs.

III. Aid and drought

Drought has always been a part of the region's climatic history. There were disastrous droughts in the 17th and 18th centuries, recorded both in Sahelian chronicles and by the European trading companies established on the West African coast. Other, less severe droughts occurred in the 19th century, and there were two major droughts during the colonial period, in 1913 and 1931. There was nothing to suggest that the phenomenon would not recur. But, the Sahel having been well-watered, on average, through the 1950s and 60s, the drought that peaked in 1972 and 1973 seems to have taken everyone by surprise.

Apart from the food aid sent to palliate emergency situations, this drought had two main effects. In the first place, the news media reported abundantly, for the first time, on a natural disaster in the Sahel; public opinion was aroused and donors who had never been involved in the Sahel now took an interest in the region. Secondly, long-established donors began to wonder how a region that had been receiving aid for so long and was considered to have made a good start, could have been so badly hit.

But the re-examination then conducted by the main aid agencies (FAO, World Bank, UNSO, the SEDES-SCET International group with support from ORSTOM on France's account, the Massachusetts Institute of Technology on behalf of USAID) did not call into question the ideas that had predominated for the past fifty years.

With twenty years' hindsight, it may be said that while the reflections made in the immediate aftermath of the drought suggested adopting **a more methodical, more coherent approach to the problems of development and protecting vulnerable countries from drought**, they did not really

call into question the notion that the problem would be solved by a good program of economic and social investment designed by competent technicians.

It is worth noting in passing that, although ideas about the external causes of under-development (the world economic order imposed by the industrialized countries) were widespread at the time, they had remarkably little impact on the thinking of the aid agencies, which implicitly considered that the causes of under-development and vulnerability to drought were primarily internal.

However, ideas about these causes were beginning to change. The idea that the programs proposed were perhaps not quite sufficient could already be found in some of the aid agency studies cited above. Several noted that the situation of food crop farmers had deteriorated since independence, that these farmers felt abandoned by their new governments, and that rural development had been less of a priority in practice than it had been in rhetoric. Several stress the fact that a good investment program would serve no purpose without the "political will" to move towards food self-sufficiency and development⁵.

This was the first time political aspects had entered into discussions of aid, and there are two points to be made about it.

Firstly, it was a timid attempt and was quickly swept out of the way. When Club du Sahel was founded and the international community and the Sahel signed their "contract for a generation", they might have included real contractual clauses instead of being purely symbolic. The aid agencies might have demanded, in exchange for their increased financial efforts, some undertaking by the Sahelian governments to demonstrate their political will and their commitment to development in other terms than pure rhetoric. But it was not to be - clearly, the time was not ripe.

Secondly, the politicians were implicitly supposed to function independently. They had only to carry through a good program of social and economic investment with the political will to back it up, and success was assured. It apparently never occurred to the experts involved in these studies that politicians are members of society, caught up in a network of relations and constraints. Nor do they seem to have realized that rural people, for whom programmed investments were intended, were also members of a society, that they too had their own motivations and constraints, and that the latter did not derive solely from policies applied by governments and projects financed by aid agencies.

Also significant is the fact that the Sahelians did not undertake to reflect on the drought as the aid agencies had done; the newly-created CILSS merely drew up a "Ouagadougou Compendium", a collection of development projects that had already been identified (and a fair number of which had already been rejected by the aid agencies).

With the newly-formed Club du Sahel, the examination of aid issues that had already been started by individual aid agencies was continued collectively, in cooperation with the Sahelians. A strategy to combat drought and promote development in the Sahel was worked out and approved by all the members of the Club (Sahelian governments and aid agencies) in 1977. This strategy was presented as an innovation.

And so it was. For the first time, problems were addressed from a regional viewpoint and, above all, it was prepared by a group of European, North American and Sahelian experts - the first

⁵ See the paper given at the founding meeting of the Club des Amis du Sahel in Dakar in March 1976, *Analyse et Synthèse des études concernant l'avenir à long terme du Sahel*.

collaboration of this kind for the region. Moreover, it examined interactions between ongoing development projects, which had barely been done before, and adopted a more systematic approach than the one employed hitherto.

But, these innovations apart, this first CILSS/Club strategy is a collection of suggestions for investments and concomitant policies for the Sahel. Is this essentially anything more than a new "Sarraut Plan", 1977 version, taking account of the recent drought and experience accumulated since World War II? The approach is similar, in any case.

The strategy was supposed to take account of the "options" taken by the Sahelian governments, and missions were organized to discuss these with the governments concerned; Sahelian experts played an active part in the work. But as the foreword to the revised 1979 strategy states, "efficient programming could only be done by small teams of competent specialists". The strategy remained a technocratic exercise; it almost completely glossed over political and social problems; one may say it more or less reflected the state of the international community's thinking about development at the time, and that **it is the product of conceptions that had not changed fundamentally since the 1920s.**

The strategy had a certain impact. Small aid agencies, whose interest in the Sahel was new, used it to make up for their lack of experience of the region. The large agencies, on the other hand, tended to continue along the same lines as before. In the early 1980s, one analysis of aid to the Sahel between 1975 and 1980 concluded that there had been a shift of aid towards sectors which the strategy regarded as priorities.

The strategy was to be revised twice. The first revision was not substantially different, and introduced few new concepts, but stressed certain elements like "the need to considerably strengthen the Sahelian governments' capacities to program, manage and evaluate projects". Its conclusion includes a seeming regret: "Despite the approach adopted one must not forget that all this programming work is done for the people of the Sahel", and hopes that "the rural masses (will) express themselves as to their problems, needs and constraints" and that they will become "genuinely the architects of their own development".

The second revision took this regret to heart, tried to change its approach and tried, as the box below shows, to "reverse the perspective" by highlighting the role of local people.

This revised strategy was part of a trend started by some NGOs' reflections on their operations in the field, and which introduced the concepts of "endogenous development" and "participative development" - concepts very frequently taken up in the rhetoric of the early 1980s.

Be this as it may, even though this revised strategy is still in many respects very conventional, it marks a definite shift in development paradigms: in particular, it tries to break out of the technocratic approach to development.

The revised strategy of 1984

The 1984 revision of CILSS-Club strategy is interesting for several reasons:

- it stresses urbanization as a "profound structural upheaval" - an upheaval that was, fortunately, to be rediscovered by the WALTPS study ten years later.

- it observes that the "people of the Sahel have remained spectators of their own development", which has been designed by national authorities with help from the international community, and it suggests "revising the conception of development".

- it stresses the need for a "transformation of the entire rural system".

- it proposes to make the Sahelians a driving force in development, to make development everybody's business, and to regard production systems not "as something that can be altered by external action, but as a framework that **must be altered from within**" (underscored in the 1984 text - an underscoring that was to be more justified than ever by 1996).

- it stresses the need to prepare for the long-term future, especially by preparing control over population growth and a reform of basic education ("to make the Sahelians actors in the changes needed for their development" - a suggestion that is just as pertinent in 1996).

That said, faced with the growing scale of imbalance in Sahelian government finances, the attention of the aid agencies was now to a large extent focused in quite a different direction to that proposed by the strategy. The strategy remained almost a dead letter, and the structural adjustment policies introduced to rehabilitate government finances were to be quite the opposite of endogenous development.

IV. Aid and structural adjustment

Growing economic and financial imbalances became evident in the early 1980s. Like the drought, they seem not to have been expected, even though they had their roots far back in the past.

Even back in the colonial period, some observers had drawn attention to the worrying way most of the French territories were developing. To quote a report from 1952, "in the AOF, for example, the trade deficit rose from 1.3 billion CFA francs in 1948 to 11.2 billion in 1950 and 22.6 billion in 1951. While it is normal for developing countries to have a trade deficit, this imbalance has reached worrying proportions - worrying because the deficit is still growing, although capital goods account for a decreasing share of total imports⁶". In other words, financial resource transfers from France to its colonies were only partly used to finance productive investments and they were allowing the colonies to live beyond their means. This is already far removed from the doctrine of self-supporting colonies.

Participative development: an innovation?

"Participation by local communities" and "endogenous development" are concepts probably developed within NGOs around 1970, and which were enthusiastically adopted both by African governments (because of their anti-colonialist connotation) and by a certain number of aid agencies from the end of the 1970s.

The shift from top-down to bottom-up development has been unanimously presented as a major advance. The non-participative development of the 1960s and early 1970s and even more that of the colonial period has served as a foil for the new participative model.

⁶ *Cinquième rapport de la Commission des Investissements du Plan, Paris.*

The trouble is that this view of the evolution of aid is to a large extent a reconstruction of a palpably different historical reality. The rural policy applied between the two world wars already adopted some of the themes of participative development, and even the Sarraut Plan refers to "human development" - an expression which the advocates of participation would not decry.

As for so-called participative projects, local participation seems in some cases to be a decorative mask for projects designed elsewhere and whose promoters, usually in all good faith, have managed to get adopted by some social group always ready to accept a windfall from outside.

In fact the shift from one model to the other was hardly a breakthrough. "What is worrying, is the capacity of the authoritarian model to shape itself to the participative mold and, conversely, the very strong tendency for the participative approach to become centralized and authoritarian"⁷.

And one may conclude that "today's development operations are of the same kind as in the past period"⁸.

The thirty years from the late 1940s to the late 1970s had nurtured an illusion: the economic rents from tropical farm produce and mining output, and the increase in financial transfers from the countries of the North, had masked the fragility of what was then regarded as a good start to development.

The drop in profits was at first thought to be cyclical, but as it lasted and worsened into the 1980s it became clear that it was structural. Unlike the Asian countries, the Sahel - indeed, the whole of West Africa - was unprepared for this major change. These countries had neither sufficiently increased their export crops' productivity nor invested in other, more promising production sectors.

The remedies applied combined three elements:

- Applying the financial rigor necessary to put an end to the imbalances (rigor whose necessity no one can dispute).

- So-called structural adjustment loans to enable governments to cope with what it was hoped would prove to be temporary deficits. As the situation did not improve quite as expected, these loans added to the external debt except where they were counterbalanced by writing off other debts or by donations from the former colonial power.

- Applying free market policies and opening up to foreign trade, in line with the prevailing ideology. It was hoped that by ending the imbalances, doing away with constraints artificially imposed by governments and introducing competition, the free play of market forces would optimize the allocation of scarce resources, while development would be driven by the energy of economic agents and competition among them.

In colonial times, the choice and application of economic policy was in the hands of the colonial power, the representative bodies set up after 1945 playing only a minor role in this sphere. After independence, the new governments took over this function, the former colonial power nonetheless

⁷ Jean-Pierre Chauveau, *Participation paysanne et populisme bureaucratique*, in *Les associations paysannes en Afrique. Organisation et dynamiques*, Karthala, Paris, 1994.

⁸ Claude Freud, Gilles Duruflé and Jacques Richard, *Une évaluation de l'efficacité de l'aide en longue période*, Ministère des Relations Extérieures, Coopération et Développement, Paris, 1986.

continuing to play a significant part through its technical assistants and inter-governmental collaboration. Structural adjustment is a step back, but also a change, in that the defining of policy is less influenced by the former colonial powers and more by the international organizations.

Unfortunately for the promoters of structural adjustment, African societies were very ill-prepared to apply the proposed remedies; they did what they could to circumvent them or avoid applying them, sometimes with the complicity of aid agencies. They were ready to accept neither the abolition of the artificial economic rents whose creation and distribution are considered indispensable to the exercise of power, nor competition among economic agents, which was to remain carefully circumscribed. They have replied to external pressure for free trade and deregulation with policies that subtly play off protection against non-protection, and that often "run counter to the market economy idealized by the structural adjustment programs"⁹.

Economies based on economic rents, inaugurated in the colonial period, developed after independence and brought to crisis point by shrinking economic rents, have not been transformed into market economies. At best, structural adjustment, combined with a slight upturn in economic rents, has put them in a (temporarily?) better position.

The "revolution" that a "group of donors and international institutions" thought it could impose from outside by dismantling the old system piecemeal, State-owned company by State-owned company, regulation by regulation, did not have the expected results¹⁰. And the more flexible approach adopted from about 1990 did not have a much more positive impact.

The World Bank acknowledges this in its 1994 assessment¹¹, repeating *ad nauseam* that structural adjustment would work, in sub-Saharan Africa as in other parts of the world, if only it were applied.

Faced with this failure, the aid agencies saw that when one breach in the good policies recommended had been repaired, one or several others appeared elsewhere; they reacted by multiplying the conditions imposed on aid beneficiaries and abandoning old priorities (agriculture, health and education): "everything is a priority"¹². Then they seem to have wearied: were they doing any more than repairing the most gaping breaches?

Aid since the beginning of the 1980s can be divided into (a) aid for running expenses (increasing) and (b) investment aid applied under various "Sarraut Plans", still largely designed abroad¹³ but adapted to the pet notions of the day. The novelty is that aid is now accompanied by pressure on the African governments to make them apply the policies suggested, which are supposed

⁹ Béatrice Hibou, *L'Afrique est-elle protectioniste?*, Editions Karthala, Paris, 1996.

¹⁰ Jerome M. Wolgin, *Completing the African Revolution: AID and structural adjustment in Africa*, USAID, Washington, 1990.

¹¹ World Bank, *Adjustment in Africa. Reforms, results and the road ahead*. Oxford University Press, 1994.

¹² COBEA, *Policies on Aid to the CILSS Countries*, Club du Sahel, January 1992.

¹³ The study of aid relations between the EU and Mali (Glenn Brigaldino and Mamadou Traoré, *Effectiveness of Aid Relationships*, May 1996) is instructive in this regard: "The setting up of priorities remains largely donor-driven ... The EU tends to substitute itself for lacking local capacities".

to lead to development. Almost as much as in colonial days, the development project is external to the societies concerned.

Much emphasis has been laid in the 1990s on the necessity for African governments to "appropriate" the policies proposed. This merely shows how far the solutions proposed are foreign to them.

Is such appropriation possible? Given the failure of adjustment, "Sarraut Plans" and pressure for "good governance", **the idea is beginning to emerge that development conceived abroad is ineffective by nature** - that the "bad governance" is not simply due to the hazards of history but doubtless has its roots deep in the African societies; that full appropriation is perhaps an illusory goal; that African societies have their own dynamics, and that one cannot help them outside the framework of these dynamics.

V. Aid on the eve of the 21st century

Three major facts mark the runup to the 21st century

The first is the implosion of the centralized planning system in Eastern Europe, combined with the abandonment of this system by most of the Asian countries that had adopted it. There is now only one economic system in the world and it is regulated essentially by the market. With falling long distance transport and communication costs and artificial obstacles to trade reduced owing to pressure of the dominant free-market ideology, **markets are becoming increasingly international**: financial markets and licit goods markets but also markets regarded as illicit, such as drugs, drug profits, arms etc.

The second is **the recent development, often spectacular, of some "dragons" and "new dragons"**, particularly (but not only) in East and Southeast Asia. This disproves the idea that the prevailing economic system forbids the entry of new countries into the club of the industrialized countries and that a country can only develop by "disconnecting". Experience has shown, on the contrary, that only countries well integrated into the world market have achieved sustained development. Although some economists¹⁴ contest its durability, or even its reality, the phenomenon shows that development is possible, and has started to change the world balance.

Experience has also shown that such development did not happen according to the blueprints underlying previous decades' aid policies. All thinking on development had focused on the adoption of development models that were supposed to have proven their worth (in East or West) and on ways of overcoming obstacles to that adoption. The New Industrialized Countries have indeed adopted some elements of their development from the countries of the North, but they have hybridized these with elements from their own cultures.

The third is **the reversal of a century-long trend towards decreased inequality in developed countries**, in Europe and North America equally. From the 1980s, real wages for unskilled labor have been falling in the United States while unemployment has been rising in Europe. This reversal multiplies the internal problems of the societies of the North and modifies their view of the South. Grand, generous, Utopian designs are now hardly on the agenda. Even solidarity in the face of natural

¹⁴ See e.g. Paul Krugman, *The Myth of Asia's Miracle*, Foreign Affairs, November 1994, or Yoshihara Kunio, *The Rise of Ersatz Capitalism in South-East Asia*, Oxford University Press, 1988.

or human disasters is partly called into question. Many Westerners are less motivated than before to support development or far-off peoples when there is a fast-growing mass of people living in precarious conditions, right on their doorsteps.

Governments, in line with public opinion, are tending to reduce the share of their budgets allocated to development aid¹⁵: the 0.7% of GNP, for twenty years an almost obligatory benchmark, has been quietly dropped. The shift of opinion towards cutting public expenditure cannot not but strengthen this trend. The NGOs, for their part, are finding fundraising for the countries of the South more difficult (humanitarian aid still finds generous donors, but development aid finds fewer and fewer).

No doubt also deriving from the North's altered view of the South is the **growing irritation in the countries of the North with what is called the ineffectiveness of aid**. It is as if this ineffectiveness, which is in no way new and was for many years tolerated without much comment, has become too much for donors to bear. The ineffectiveness accusation is made at two levels:

- **The macro-economic level.** It is increasingly, and rightly, pointed out that the considerable flow of aid to a certain number of countries, including the Sahelian countries, has not led to sustained economic growth. However, one may also point out that aid from most donors has been given for largely non-economic reasons, so it is not surprising that it has not had more of an impact on development.

- **At project level,** where in most cases there is a significant gap, and in some cases quite a gulf, between what is planned and what is actually achieved. But when one is aware of the complexity of the variables acting on any society and of the relationships between these variables (Sahelian societies being no exceptions to this rule), it is hardly surprising that local people do not respond to outside interventions in the way the promoters expect.

This new context will certainly have consequences for the Sahel and its African neighbors.

The first consequence is that the rising aid curve that began just after World War II, that was reinforced on independence and again by the drought, is unlikely to continue. The reticence observed in recent years with regard to increasing aid donations is probably not, or not only, circumstantial. As the Sahelian population will continue to grow, this means that aid *per capita* will diminish. This will constitute a major change in a region that has been accustomed for the past fifty years to increasing levels of aid.

The second consequence is that some specific kinds of aid will probably be called into question. At a time when budget deficit reduction has become a priority in many countries of the North, it seems unlikely that aid to make up Southern countries' budget deficits can continue for much longer.

A third consequence is that the countries of the North will certainly wish to make their aid more effective. Without seeking to define here what effective aid would mean, one may wonder whether one can have effective aid without a shared view of development. But for a shared view of development to emerge, the Sahelians would have to have a vision of their own future. If such a vision exists, the Sahelians have so far found it very hard to formulate or explain.

¹⁵ In 1994, official development aid from OECD countries amounted to c. 0.29% of their GNP, its lowest for 21 years.

When I put forward some reflections on the future of the Club du Sahel in 1994, I stressed the complexity of the aid relationship. No proper analysis has been made of this relationship in all its facets, but it would be worth doing. Aid is the result of an asymmetrical and often subtle interplay between supply and demand - a supply that is necessarily technocratic, and some of whose motives may have nothing to do with development, and a demand that is often equally technocratic, often unsure of itself for lack of a clear vision of the future, and some of whose motives may also have nothing to do with development.

Might the complexity of the aid relationship mask major divergences on the very content of development? Since the colonial era, we have persistently offered the Sahelians our own conception of development, while our Sahelian discussion partners have seemed to share this conception because they ask us more or less for the aid we offer. And, astonishingly, no one seems surprised that supply and demand should correspond so closely.

But as Axelle Kabou wonders in a provocative book title, suppose Africa were to reject development? In fact it is unlikely that Africa would refuse development as such. But suppose it rejected the kind of development so obstinately offered it over the past three-quarters of a century, and did not dare to say so? Or even did not dare admit it to itself?

After all, those Asian countries now advancing so fast along the road to development - have they really accepted our definition of development? Looking closer, one can see that what they have created is a hybrid between borrowed elements of Western culture and many elements from their own. To begin with, their business management methods are not the ones taught at the Harvard Business School or INSEAD, even if the managers are graduates of those very institutions.

At the beginning of the 1960s, the Sahelian Cheikh Hamidou Kane wrote, "Before we put on our boilersuits, we shall set aside our souls in a safe place¹⁶. In other words, he accepts the boilersuit as an unavoidable step towards development, but rejects at least part of the Western culture that generated this development.

And as the 21st century approaches, one cannot help seeing that while there is an Asian road to development, there is still no African road to development.

Perhaps we should be exploring the reasons why Africa in general, and the Sahel in particular, are finding it so hard to envision a project other than that proposed by aid donors.

¹⁶ Cheikh Hamidou Kane, *L'aventure ambiguë*.