

Can leadership be mustered against the International Monetary Fund's murder?

by Douglas DeGroot

The consequences of the continuing collapse of the world financial system, and of the failure to replace it with a development-based alternative, are shown most dramatically in Africa. Over the course of 1982, as the depression deepened and international trade contracted, the balance-of-payments deficits of African countries continued to rise, and African nations had no recourse but the lender of last resort, the International Monetary Fund (IMF) with its murderous conditionalities.

Most of Africa has been in a dark age of imposed social breakdown and backwardness since the centuries-long organized looting of the continent's population for slaves began. Independence from colonial status in the early 1960s brought with it the hope that the horror maintained by colonialism could finally be ended through education and economic development.

After rapid improvements made in the first decade of independence, however, Africa's situation began to deteriorate, as the Bretton Woods system unraveled. Africa is now being offered only one option by the IMF and World Bank: return to the backward subsistence economies of the colonial era while dissolving the governments that have been painstakingly built up over the past two decades. As Tanzanian President Julius Nyerere said earlier this year: "We are poorer today than we were in 1962," just before Tanzania became independent.

Historically, the African policy of the forces behind Bretton Woods has been to keep African nations dependent on a limited number of raw-materials exports—agricultural cash crops or minerals. Because of this dependence, African economies are especially vulnerable to the drop in world trade and the drop in world market prices of their commodities. The large scale increase in the cost of oil beginning in October, 1973 aggravated this process.

Attempts to resist the IMF conditionalities have been widespread, since few leaders are willing to dismantle their countries, but unsuccessful. Early this year, the IMF cancelled a \$1 billion loan it had promised to Zambia because

conditions had not been met. The IMF demands included devaluation of the Zambian Kwacha, a reduction in food subsidies, and internal credit limits. Zambia's crime was to loan money from its central bank to the vital copper industry, to keep it functioning in the face of low export prices. After failing to obtain commercial loans, Zambia had no alternative but to begin negotiations again with the IMF in September.

As one Zambian put it: "What good does devaluation do when the major problem, given how our economy is set up—dependent on copper—is lack of demand for copper?"

South Africa and Qaddafi

The IMF and World Bank have ample means for destabilization at their disposal to keep countries in line. They have two capabilities for carrying out destabilizing activity: the government of South Africa and Muammar Qaddafi, the Libyan strongman. Pretoria played the role of the agent of destabilization in southern Africa throughout 1982. Qaddafi's networks of troublemakers extend almost everywhere else in the continent.

South Africa's military depredations have hit the following countries in the region during 1982:

- **Angola:** Part of Cunene province in southern Angola is still occupied by South African troops; in addition, South Africa supplies the anti-government guerrilla group Unita, which still disrupts infrastructure throughout southern Angola. In November, Angolan President Eduardo dos Santos announced that since Angolan independence in late 1975, South African military activity inside Angola has caused \$10 billion of material and property damage, not to mention loss of human life.

- **Mozambique:** In addition to incursions by the South African military there, South Africa sponsors an anti-government Mozambique National Resistance (MNR), carrying out sabotage activities inside the country. At the end of November, the South African Foreign Ministry threatened Mozambique with MNR "followup operations with resulting serious implications for the people of the region"; on Dec. 9, the

MNR reportedly destroyed most of a 100,000-ton oil storage depot in Beira, Mozambique, which supplies a significant amount of oil to another of South Africa's neighbors, Zimbabwe.

● **Zimbabwe:** Trials of subversives in Zimbabwe during 1982 revealed that the operatives were trained in South Africa. When the Zimbabwe military had engaged a hostile force inside the country, several of those killed turned out to be South African soldiers in disguise. South African authorities claimed their troops had gone into Zimbabwe without authorization.

In addition, 100 helicopter-borne South African troops attacked Lesotho, a small country entirely surrounded by South Africa, ostensibly searching for members of the African National Congress, which is leading the fight against the feudal South African apartheid system, and killed 42 people.

South Africa also ran assassination squads into another small state in the region, Swaziland, this past year. There are 20,000 troops stationed in Namibia, located between South Africa and Angola. South Africa has illegally occupied Namibia since the late 1960s, when the United Nations resolved that its League of Nations trusteeship over South West Africa (Namibia) should be brought to an end, and elections for an independent government held. South Africa is illegally occupying Namibia, and supplies its troops presently occupying southern Angola from Namibia, as well as the anti-government Unita. Pretoria still refuses to engage in negotiations leading to Namibian independence.

South Africa is also training 5,000 nationals from the frontline states—Angola, Mozambique, Zimbabwe, Botswana, Zambia, and Tanzania—near South Africa, according to African sources, for purposes of carrying out sabotage against these states.

For obvious reasons, South Africa has no scruples about imposing murderous austerity on its own black population, and therefore had no trouble qualifying for a huge \$1.1 billion loan from the IMF in 1982. The loan "exactly equals the increase in South Africa's military expenditures from 1980 to 1982," according to one report. It is also roughly equivalent to the cost of maintaining South Africa's military presence in Namibia for one year.

Qaddafi, the northern component of this destabilization apparatus, has been quieter than usual for most of 1982, partly because he was short of cash, and also because he wanted the prestige of being Organization of African Unity (OAU) chairman this year, for which he needed African support.

By Oct. 7, the old Qaddafi reasserted himself, announcing the need to murder Libyan dissidents abroad. At the end of November he was rebuffed on his second attempt to become OAU chairman, and British sources now report that they expect him to go on a rampage. Libyan oil production has tripled since the first quarter of 1982, allowing him to clear up back debts, and he has the money to activate his

training camps and deploy his arsenal of weaponry, using his connections to various Islamic fundamentalist opposition groups throughout Africa to take advantage of the strife.

Failures of leadership

Despite widespread opposition to the IMF in Africa, the lack of understanding of who the real culprits are behind the IMF, or the lack of the political will to take them on politically on the part of African leaders, has given the forces behind the IMF essentially a free hand in dismantling African nations.

The failure of the OAU to convene its annual summit this year does not bode well for Africa. Precisely at the time when use of developing-sector debt as a weapon against the forces behind the IMF is being openly discussed, especially in Ibero-America, African leaders have not been able to meet and deliberate on their economic situation, and what must be done politically to secure a new international economic order.

The first attempt to hold the summit in August was sabotaged by playing on the profile of some African leaders who are automatically disposed to back liberation groups ostensibly fighting colonialism. Morocco and the Polisario group were battling over whether Morocco would get the phosphate-rich former Spanish territory in the western Sahara, or whether it would become a separate entity with a tiny nomadic population, as Algeria and Libya wished. The conflict split the OAU, and as a result a quorum was not reached.

African leaders subsequently agreed to shelve the Sahara issue so the summit could proceed. This attempt, in late November, also failed, basically due to Qaddafi. He objected to the new Chad government of Hisssein Habre, which won power over a combination of factions Qaddafi had originally installed by means of a military intervention in December 1980.

Now, in the wake of Vice-President George Bush's seven-nation trip through Africa in November, and the subsequent five-hour meeting in Washington Nov. 26 between South African Foreign Affairs Minister Roelof Botha and U.S. Secretary of State George Shultz, the South Africans have greatly escalated their activity against the frontline states. Throughout his tour, Bush had reiterated the South African demand that any attempt to settle the Namibia independence question be preceded by a pullout from Angola of Cuban technicians and troops. This means that it will be impossible to begin negotiations, since this precondition will never be accepted by the frontline states.

The economic policy pushed by Bush came straight from the World Bank's Berg Report, an anti-development blueprint. It is thus clear that the United States will provide no alternative to the Qaddafi-South Africa-IMF combination which is now wrecking Africa. At the rate this combination is moving, the continent's leaders will soon have to join the debt bomb faction in the fight for a new world order, or there will be no African nations left.