

## Africa Report by Christophe Lavernhe

### 'Democratize'—or get no aid

*Western aid comes with strings attached—which adds up to never developing a healthy internal market.*

**Y**ou will continue to get aid, if you democratize. That is the official message from Washington, London, and Paris to the countries of Africa, each in its respective turf. But there is another, less official condition. The democratic opening implies acceptance of the aid conditions set by the creditors, which are two:

First, Africa must accept the sacrifices demanded by the World Bank and the International Monetary Fund. Translated: Top priority must be given to repayment of the debt, i.e., to Structural Adjustment Plans (SAP).

Secondly, the opening must also be economic. The symbol of this economic opening is the creation of free trade zones (Senegal, Togo, Nigeria), where the state gives up the right to make economic policy, in order to attract private capital.

Under such conditions, there cannot be any investment project on the scale of a whole nation or region. State budgets are ruthlessly slashed, to free up money for debt repayment. This means the state is precluded in advance from having the means to carry out any policy.

Whereas the economy of the African countries already suffers from dependency on the tyranny of the world markets and the fluctuating trends of raw materials prices, the new arrangement will put their internal markets once again into direct conflict with the world market. To totally open up the African market to foreigners, as the IMF and World Bank insist, means dooming the continent to continued dependency on imported products, which they either pay for through the

nose, or receive as a dole.

On the other hand, the creation of an internal African market would require a certain protectionism conceived in the framework of homogeneous inter-African zones, within which, in contrast, free exchange ought to reign.

The second imperative of the African internal market is the need for transportation, infrastructure which will allow products to get from the areas where they are produced to where they are consumed. The budgets devoted to such projects may span several countries and have to be undertaken at the state level.

Not taking these imperatives into account, Washington, London, and Paris have chosen to finance micro-initiatives on the ground, without any overall plan. France is earmarking most of its public funds for development aid (mainly managed by the Ministry of Cooperation and the Central Fund for Economic Cooperation) to financing African "small and medium enterprises" and "small and medium industries." French Minister of Cooperation Edwige Avice calls this giving absolute priority to private initiative, a slogan adopted from the World Bank. In an August interview with *Jeune Afrique* magazine, Avice claims that "market forces" will relaunch the moribund African economies, and calls for a series of reforms in the investment codes, labor laws, and regulatory apparatus in Africa.

The African states will see such aid pass them by. In what national or regional framework will such businesses develop? And will there be a

coordinated policy? What is the development design? Only the French authorities can respond, if they have an answer. In the same way, and to make Africa swallow the bitter "structural adjustments" of their own accord, the international organizations are encouraging the creation, in places such as Cameroon, of a National Fund for Employment to reduce the social costs of adjustment. The recipients of the funds are not chosen by the World Bank itself, but the conditions imposed reach the same result as if they were. The funds allocated, already ridiculously low (just over \$2 million for Cameroon), are supposed to finance micro-enterprises of no more than five wage earners.

In parallel, France and the United States favor the emergence of a civilian society independent of public authorities, within which the Non-Governmental Organizations (NGOs) of the South will play a greater role. What is now on the table, is financing these NGOs directly, without passing through the NGOs of the North and their local affiliates.

These policies are supposed to target corrupt mafias in the African governments, who control distribution and public markets. The irony is that now that they have enriched themselves, these racketeers will be in the best position to profit from the new "free market" chaos.

Thus, under cover of democracy and the free market, western interference in Africa is on the upswing. African economic policy, as indeed all of its policy, cannot be made in Paris, London, or Washington. The new African governing elites must junk the recipes they learned in the school of the financial establishments who want nothing but debt repayment. As to the managers of private companies, they ought to be able to find African capital in Africa.