

Economic Community of West African States ECOWAS

ToR, Organisation and Agenda

Symposium

Emerging from under-development: what new prospects for West Africa?

I BACKGROUND

The problem of development analysis and consequently the formulation and implementation of development policies remains the subject of current discussions especially on the African scene. It is necessary to go back a little in time to note that these issues are not entirely new. Already, the period from the end of the Second World War to the end of the fifties marked the emergence of the first studies devoted to the issue of development. One therefore seeks to understand the factors responsible for the backwardness and gaps observed between industrialised and developing countries.

Several development concepts and approaches - inappropriate as these have been - have been advanced by African leaders and intellectuals from independence to the present time. They include:

- 1960s - under development concept/approach;
- 1970s - emerging or developing country, technology transfer;
- 1980s - notion of environment with the World Summit in Rio in June 1992;
- 1990s - several concepts appeared all the same time: sustainable development, democratising the State and society, the Rule of Law and good governance
- 2000 decade - fight against poverty, globalisation of the economy, etc.

These different approaches have produced development models like:

- Divide and rule and hegemony (colonial period)
- Neo colonialism and the supporting development concepts resulting in growth without development
- Neo liberalism of the 1980s seen in the structural adjustment programmes which destroyed societal equilibrium and caused the unparalleled development of poverty,
- Globalisation of the economy which brought about the democratising of the State and society and acute socio-political crises in the sub-region,
- The current financial crisis and the failures of the neoliberal approach.

Today, development analysis seems to focus almost exclusively on factors for accelerating growth and modernising economies. During the 60s and 70s, there was a rapid awareness in Africa and Asia that political standing on the world scene could only be built if development follows economic growth and allows for the creation of a flow of abundant wealth, guaranteeing the well-being of all people.

Agreeably, these economies must then be involved in an industrialisation process which increases production. Particular emphasis is placed on internal structural obstacles and factors which must be mobilised in these economies in order to trigger a self-sustained process of growth.

The convergence of studies in favour of massive transfers of financial capital from developing economies is explained by the fact that the different theories are supported by the example of developed countries where industrial development played a decisive role and the accumulation and mobilisation of physical capital appear as vital factors. Meanwhile, the results of industrial development have remained modest. Strategies for achieving industrialisation by substituting imports which were put in place were poorly linked with the agricultural sector. On the whole, the performances have proven to be disappointing.

If traditional economists since A Smith had been concerned with growth and development issues, development economics itself appeared as a new branch of economic science in the 1950s when several countries in Africa and in Asia were gaining independence. One witnesses thus the emergence of the Third world, which explains the revived interest for the study of development economics.

The work of “pioneers” take in two directions: some consider that under-development is in fact a delay in development (W. Rostow, R. Nurkse, A. Lewis) while others, the structuralists, view it as a historical phenomenon linked to the disarticulation of productive structures (R. Prebisch, F. Perroux, G. Myrdal, A Hirschmann). The solutions advocated are rather interventionist and form the basis of self-centred development projects, based on import substitution strategies.

The Bandung Conference hastened the process of setting up new international institutions responsible for implementing the development model defined by industrialised nations. Thus we have in:

- 1956, the creation of the International finance Corporation to foster private investment;
- 1958, the creation of a United Nations Special Fund for Economic Development which in 1965 will merge with the UN Expanded Programme for Technical Assistance set up in 1949 to form the United Nations Development Programme.
- 1964 and 1966, the establishment of regional development banks for Africa and Asia.

In 1962, the United Nations General Assembly announced the first United Nations Decade for Development. It was stated specifically in the report of the Secretary General that “development is not simply synonymous with economic growth; it is economic growth accompanied with change” (“United Nations Decade for Development, Proposed measures, Report of the Secretary general, New York, 1962, quoted by G. Rist op cit. pg. 149). In spite of the nuance, it must be stated that in this report, growth remains the core of development.

In the 1960s, the framework in which the actions fostering development would take place was put in place. The 70s and 80s witnessed the flourishing of several experiments and proposals sometimes diametrically opposed, which were more or less echoed on the international scene. These include the self-reliance (or self-reliant development) of Julius Nyerere, the New International Economic Order and the structural adjustment programmes.

In the 60s and 70s, the third world movement will benefit from the relative failure of these experiments to advance the idea that under-development is the result of domination by capitalist developed countries over third world countries, making it impossible to close the development gap. It is during this period that dependence theories were made based on a centre-periphery analysis (C. Furtado, S. Amin, P. Baran), and the neo-marxist theories of Unequal Exchange (A. Emmanuel). The slackening of the economy in 70s following the capitalism and the debt crises largely provoked by the changes in monetary policies and financial liberalisation, will jeopardise the heterodoxical approaches to development. Thus at the beginning of the 80s, a liberal veering off could be seen.

After more than half a century of development policies, the third world is hardly in an enviable situation. For example, there are still 2.9 million people who live on less than 2 dollars a day; the seven largest fortunes of the world put together amount to more than the total GDP of the group of 49 Least Developed Countries (LDCs) where 650 million people live. At the current rate, UNDP considers that another 130 years are needed to eradicate hunger in the world.

To the failure of all these so-called development decades, which fell short of their objective of meeting basic human needs, is added the numerous environmental disasters occurring due to the dynamics of a world economy guided solely by the need for immediate and maximum profit.

Faced with this double social and environmental disaster, several reactions are today emerging from opposite horizons.

- The first is that of international financial institutions. These institutions carried and are continuing to carry out liberal adjustment policies and try to dress these policies up with the pseudo-paradigm of “good governance” which the apparent object of “fighting poverty”.
- The second is that of international political institutions, especially the UNO and its agency, the UNDP, which have succeeded in making the concept of “sustainable development” accepted as the new global objective, to the point that not a government, institution, large corporation fails to take it into account. It is hard to see an NGO or representatives of social movements who do not do the same. This questionable unanimity seems to prove that there is need to clarify the concept and that for the time being, it lacks the substance that will really set it apart from past failures.
- The third is that of a trend originating from several sources and which taking into account the double failure mentioned above, is positioned in the perspective of a rejection of development. This is on the grounds that development, born in the West, can only be an expression of economic, political and cultural domination of the West over the rest of the world. Consequently, it is necessary to look beyond to “post-development”.

All of these considerations but especially the profound crisis of the neoliberal system require that the development approaches be revisited and current paradigms be reviewed. Is neoliberal ideology not synonymous with recurrent crises? What is profit worth when compared against equitable sharing?