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International Aid And Economy Still Failing Sub-Saharan Africa

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Les prunelles d'angelle

A recent report by the United Nations has revealed that not a single country in sub-Saharan Africa is on track to achieve the internationally agreed target for halving extreme poverty by 2015. This dire failure is unsurprising given the G8's undelivered aid commitments, the inability of the World Trade Organisation (WTO) to negotiate development-friendly trade rules, and the financial burdens imposed on many African countries by the International Monetary Fund (IMF) and The World Bank.

According to the report, published at the midway point in the Millennium Development Goals (MDG) process, the number of people living on less than one dollar a day has barely changed over the past seven years, declining from less than 5 per cent to 41.1%. As much of a concern is the increasingly slow rate by which the number of people living in extreme poverty is reducing.

In line with this disappointing trend there has been little change in the number of children under five who remain hungry and underweight; a mere four per cent decrease was observed between 1990 and 2005. Over the same 15 year period, mortality rates for children under five dropped by less than three per cent and only an additional five per cent of the population have gained access to basic sanitation, leaving 37% of people without this necessity. The number of deaths from AIDS is also accelerating - a staggering two million people in 2006.

The report also highlights the impact of global warming which is already being felt throughout the region. Recent examples include the intensification of droughts and desertification in Kenya, the accelerated melting of ice field peaks in Tanzania, and the increased flooding experienced in the Niger Delta. The effect of climactic change in sub-Saharan Africa inevitably heightens the scarcity of resources such as food and water, fuels conflict and exacerbates poverty. For instance, only 42% of the rural population presently have access to clean water but this, according to the Intergovernmental Panel on Climate Change (IPCC), could soon include up to 250 million Africans.

Despite important yet limited improvements in education, healthcare and agricultural productivity in a few countries, the overall trends for poverty reduction, access to clean water and basic healthcare are continuing to plummet. The G8 leaders concur in theory that nothing could be more important than preventing the imminent deaths of millions of Africans who are being indirectly denied the right to these essential resources. Yet as the failed Gleneagles promises for increased aid to Africa demonstrate, global political priorities and economic policy address poverty indirectly, if at all, focusing instead on creating economic growth and a strong corporate sector.

G8 ministers managed to placate many campaigners at the end of the 2006 Gleneagles Summit with inflated promises for more aid. The conclusion of this year's Heiligendam summit, however, has once again united civil society in its condemnation of the G8's apparent self interest. According to the UN, the MDG to half extreme poverty will only be achieved if the current pace of aid donation is doubled. Not only is such commitment extremely unlikely, but research also shows that economic growth and international aid will never be sufficient to address poverty to any meaningful extent. The Chronic Poverty Research Centre has calculated that even if the Millennium Development Goal for poverty and hunger is achieved by 2015, 900 million people will still be living on less than one dollar a day.

According to the IMF , Africa is currently enjoying robust economic growth. It is also exporting more food than ever before through world trade and corporate investment, alongside an improvement in productivity. In light of the persistence and prevalence of extreme poverty, however, the relationship between these economic improvements and the provision of the most basic welfare is intangible at best. Although it is undeniable that this equation is complicated by biased international trade rules and the corruption of both African governments and multinational corporations, it is also clear that the neoliberal policies adopted by the IMF, World Banks and WTO are incapable of addressing poverty in regions where it remains a priority.

A new strategy is long overdue

The data on poverty in Africa strongly suggests that the internationalisation of market forces over the past quarter century has kept Africa impoverished, whilst simultaneously creating unimaginable wealth for a relative minority in the global north. The ‘trickle-down effect', which claims that financial returns from commercial exports and growth will eventually benefit lower socio-economic groups, seems to have been reduced to an ‘intermittent-drip effect' in the case of Africa. This is unsurprising given that domestic production is increasingly geared toward exporting cash crops to the international market, a sector dominated by agribusiness giants. As a consequence of this arrangement, which is in line with international free trade rules for developing countries, local producers and economies loose out as corporate profits are repatriated abroad or paid out in executive salaries and shareholder dividends.

Any economist can confirm that a market economy will increase inequality by disproportionately rewarding those with greater economic, financial or political power. Only government intervention to redistribute wealth can remedy this basic flaw, yet redistributive mechanisms are absent both in the global economy and in many African countries where economic adjustment is geared to debt repayment and not welfare, courtesy of the IMF.

The good news about economic growth rates in sub-Saharan Africa is further compromised by the fragility of booming commodity prices. Being primarily an agricultural continent, Africa relies on the export of a small number of commodities to create the growth that can eventually finance welfare services. Not only is this dependency on exports to global markets a risky way to underwrite the social safety net, but it undermines the simple logic of prioritising food security. Instead of securing food for African children, a third of whom are underweight, the free trade regime redistributes domestic food production to other parts of the world. Given the urgent needs of the continent, such measures defy economic, social and moral sense.

Africa has, for the past 25 years, provided a clear demonstration of the dislocation between economic growth and the provision of basic human needs. The case reveals overwhelming evidence of the need for an alternative principle upon which to organise the global economy, yet this fact continues to be ignored by key policy makers in the US and EU.

Any significant shift in international economic policy away from a purely market based system will inevitably be difficult to implement given the political and financial dominance of the G8 nations. However, a total lack of willingness to even accept that there may be a more efficient way to organise resource distribution is negligent in the extreme. This conservative view is likely to be expounded by those who gain most from a competitive economy, namely the strongest and fittest nations, their ministers and corporations. For these vested interests, sharing the resources which they have ownership or control over would simply mean diluting their strength, reducing their profits and curtailing their economic growth.

The decision that humanity as a whole must make is whether we are prepared to serve the needs of the majority or perpetuate a system that perverts economic democracy and dismisses any sense of common unity and morality.

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