

**ECONOMICS & DEVELOPMENT**

**Thandika Mkandawire and Charles C. Soludo eds. *African Voices on Structural Adjustment*.** Trenton, N.J.: Africa World Press, 2003. viii + 505 pp. Tables. Notes. \$29.95. Paper.

*African Voices* is a compilation of fourteen papers that were part of a study by African scholars, mostly economists, commissioned by the Council for the Development of Social Science Research (CODESRIA) in Africa to appraise the performance of structural adjustment programs and to examine their compatibility with requirements for the continent's long-term development. The first eight chapters deal with the implications of SAPs in general, while the remaining six use case studies to examine how financial reforms have affected various aspects of African economies. Most of the authors acknowledge the need for adjustment programs to deal with the chronic problems of budget deficits, inflation, and exchange-rate misalignment that pervade the continent. However, as articulated in the introductory chapter, they propose reforming SAPs, which they criticize for overemphasizing stabilization fundamentals and ignoring many other fundamentals that deal with development.

The second chapter provides an interesting discussion of the methodological problems associated with evaluating the SAPs' performance, claiming that many of the reports by proponents of the programs are tainted by unfounded attribution of economic recovery to improved macroeconomic policies. The author views the policy framework of SAPs—which address development concerns essentially as “add-ons” (50)—and their performance evaluation criteria as grossly inadequate, proposing instead an “SAP-cum development” paradigm with a composite economic development index as the criterion for evaluation. The following chapter is less critical of SAPs than the rest of the volume, arguing that theories and accumulated experience suggest that a growth objective should stress broad outward-orientation of the economy and that economic growth would be export-led in an environment in which macroeconomic balance and stability are maintained.

Chapter 4 provides a lengthy discussion of the limited lessons that African countries can learn from the experiences of the newly industrializing countries (NICs) of Asia. Africa's strangulating external shocks, it maintains, are radically different from the less hostile external environment of the NICs; above all, the NICs did not face the conditionalities imposed by the IMF and the World Bank, which have usurped economic policymaking from African countries. The author suggests that African development should be pursued within the framework of a growth-promoting and market-accelerating model, and should also be human-centered in order to address the pervasive poverty that afflicts the region. Chapter 5 examines the industrialization experience of African countries and the debate over

the appropriateness of the import-substitution and export-promotion strategies of industrialization. It views the two strategies as complementary and argues that the challenge is to create an efficient strategy through a mix of policies that aim at maximizing the benefits of increasing domestic demand and stimulating import-substitution and increased export-orientation on the basis of growing technological capabilities. Chapter 6 looks at the relationship between SAPs and poverty in sub-Saharan Africa, proposing an interesting alternative methodology for estimating poverty and contending that poverty in sub-Saharan Africa is much deeper than is commonly recognized, that the rate of increase in poverty during the second half of the 1980s was much more dramatic than is commonly reported in the literature, and that SAPs have had a negative impact. Yet the author essentially agrees with the World Bank's position that labor-intensive growth, along with the provision of broad-based health care, education, and infrastructural services, are appropriate approaches for dealing with poverty.

A much more fundamental critique of SAPs is provided in chapter 7, the only chapter not written by an economist. The author places the search for economic recovery within the context of the construction of democratic systems of governance, drawing distinctions between the democratization struggle in Africa and the World Bank's notion of "good" governance, which he sees as defined in narrowly technocratic and functionalist terms that are designed to further the goals of an adjustment model. He also maintains that implementation of orthodox adjustment, along with the conditionality imposed by the Bretton Woods financial institutions—which have taken on the status of "offshore governments" (257)—is incompatible with democratization on the continent.

The next chapter examines the impact of economic policy reforms, including SAPs, on the domestic terms of trade of major tradable agricultural commodities in selected West African countries. The author's estimation of the effects of external factors and domestic policies on the terms of trade in Côte d'Ivoire, Senegal, and Niger shows that external factors are the leading determinants. On the basis of his calculations, he argues that the three countries have a rather limited capacity to improve the structure of the relative prices of their respective economies since the external factors, over which they have little control, are the leading determinants of the domestic terms of trade of their tradable commodities. Further, he contends that since SAPs do not address external factors, their impact on the terms of trade in African countries is also limited. Chapters 9 through 14 examine the impact of financial liberalization on access to credit, savings, investments, and the growth of different African economies. All six chapters come to the conclusion that financial liberalization measures have not achieved their intended goals.

Overall the volume provides a rich analysis of the problems of structural adjustment programs, if not a representation of the plurality of

African voices on SAPs. The proposed alternatives are not radically different, however, from the pleas made as early as the late 1980s by UNICEF's "Adjustment with Human Face" and ECA's "African Alternative Framework to Structural Adjustment Programs for Socioeconomic Recovery and Transformation." The data many of the authors provide are also dated. More important, none of them questions why the Bretton Woods institutions insist on imposing SAPs despite all the evidence on the ineffectiveness of these policies, nor do they question whether the logic and requirements of globalization would allow implementation of the reforms that they propose, given the pervasive predatory nature of the African state. Despite these shortcomings, the volume constitutes an important addition to our understanding of why SAPs have failed to reverse Africa's economic crisis. The methodological discussion of evaluating SAPs, appraising poverty rates, and estimating the influence of external factors on relative prices of tradable commodities will be valuable to many readers.

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