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Frustrated by Failure to Avert Famine, U.S. Seeks a Better Way to Aid Africa

Administration Says Free Enterprise Can Lead to Self-Sufficiency

By David B. Ottaway
Washington Post Staff Writer

The great African famine of 1984-85 has abated, but in this country it has left a bitter legacy of recriminations and soul-searching over why the billions of dollars in American aid failed to avert the catastrophe. Frustrated conservatives and liberals alike are again searching for a new approach to economic development in Africa to more effectively combat the inevitable disasters wrought by nature, man and continental penury.

Seizing on the famine and signs of a greater African willingness to undertake reforms, the Reagan administration is pressing African leaders to adopt its doctrine of free enterprise and end heavy-handed state involvement in Africa's farm economies.

This new development strategy comes as the U.S. government has just approved more than $50 billion in subsidies and other programs over the next three years to prop up ailing American farmers.

The strategy calls upon Africa to end government subsidies, as well as market and price controls, in an effort to spur agricultural production and pursue food self-sufficiency.

While the billions of dollars the U.S. government pays in domestic farm subsidies are mainly intended to provide farmers with adequate prices, the subsidies provided by Third World governments are primarily intended to keep consumer food prices low to assure domestic tranquility and political stability.

The U.S. development strategy comes with a new vocabulary, echoed by institutions such as the World Bank and International Monetary Fund, that includes such expressions as "policy dialogue" and "structural adjustment."

The first term refers to U.S. efforts to convince African leaders of the folly of their past socialist ways and the need to adopt principles of a free market system. The second is a euphemism for the sweeping fundamental economic reforms the United States is pushing for Africa, particularly in agricultural policies.

Caught in the middle of yet another shift in U.S. policy is the Agency for International Development (AID), which is under attack from Republican conservatives and some moderate Democrats—as well as big business—for laxness in spreading the new free-enterprise gospel and in implementing projects to aid the African private sector.

The discontent with AID's performance comes amid frustration over the effectiveness of U.S. aid to many Third World nations, particularly in Africa, and a sense of bankruptcy of past American theories of economic development. Black African nations, with a cumulative debt of roughly $100 billion and often with struggling economies, have become the central focus of attention.

Robert S. McNamara, former World Bank president, recently told the House Select Committee on Hunger that reversing the decline in living standards in sub-Saharan Africa was "the overriding development task that faces the world today."

Mark L. Edelman, AID's assistant administrator for Africa, comparing the debt crisis in Latin America to the economic one facing many Africa countries, said: "Latin America going belly-up is a financial disaster for the world. But if Africa goes belly-up, it'll be a development disaster."

A decade ago, after the last great famine in Africa, Western donors led by the United States went through a similar soul-searching, produced a host of studies and new development theories and concentrated their funds and efforts on the worst affected nations—only to witness a devastating famine last year.

"Sub-Saharan Africa's grim economic situation today is testimony to the failure of over two decades of development effort by African governments, donor countries and international organizations," said a special Central Intelligence Agency report published last February. The CIA called the outlook for Africa "bleak for the remainder of the decade."

The famine, together with the African debt crisis and other dire predictions for the continent, have touched off a debate over the failure of U.S. aid programs—within Congress, the administration and most international institutions and agencies dealing with the Third World.

In mid-September, six Republican senators led by Jesse Helms of North Carolina wrote President Reagan demanding an overhaul of the U.S. foreign assistance program. They charged that AID had "totally failed" to carry out the president's promised "economic revolution" using American capitalism as a model for Third World development.

They also called for a change in the charter of the Overseas Private Investment Corp. (OPIC) to allow it to assume management responsibility of all U.S. economic development assistance now run by AID.

"AID's Bureau for Private Enterprise is under-funded and largely ignored," the senators wrote. "The private enterprise efforts of the other AID bureaus are rarely effective and frequently seem to have little to do with stimulating true privately driven economic growth."

The unhappiness is not a conservative Republican phenomenon, however.

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In late October, three Democratic senators—Gary Hart of Colorado, Sam Nunn of Georgia and Daniel K. Inouye of Hawaii—introduced a bill proposing that OPIC take over "primary responsibility" for private sector development in Third World countries and for promoting involvement by the U.S. private sector in helping Third World nations emulate the American economic way.

Meanwhile, various private groups and development specialists have urged programs from a Western "Marshall Plan" to save Africa to a new "compact" between Western donors and repentant African governments to assure additional outside aid in return for long-overdue economic reforms.

Underlying many of these proposals has been a recognition that donors may have contributed to Africa's plight.

In a review of past U.S. approaches to development, a recent report by the Council on Foreign Relations and the Overseas Development Council noted that "most donors, including international institutions, have jumped from one fad to another to justify development expenditures."

Donors have gone "from the support of infrastructure development, to a concern with basic human needs, to the most recent heavy focus on agriculture and encouragement of the private sector," the report said.

"Outside donors, for all the money that they have poured into Africa since independence, have often made contradictory demands or imposed conflicting conditions on the beneficiaries of their largesse," it said.

"Meanwhile, proliferating and overlapping projects have drained the administrative energies of African officials and left the continent's landscape strewn with rusted-out bright ideas."

The report was prepared by a committee led by Donald F. McHenry, U.S. ambassador to the United Nations during the Carter administration, and Lawrence S. Eagleburger, undersecretary of state for political affairs from 1982 to 1984.

Like many other reports and proposals, it calls for a fresh start by both donors and African governments and a big boost in U.S. assistance to the money-starved continent. The study suggests tripling the current level of U.S. aid to Africa to $3 billion a year.

McNamara, in his report to the House panel on hunger Dec. 5, also argued for a massive new injection of outside financial aid, warning that otherwise there was little hope for reversing Africa's economic decline.

He estimated that the 29 poorest African nations needed $6.5 billion in external aid annually for the 1985-90 period, but said outside donors are expected to provide "no more than 40 percent of that amount."

AID officials say they believe the agency is being unfairly blamed for the failure of U.S. aid to solve Africa's monumental development problems and for not doing enough to promote the African private sector.

"Policy reform is the most important thing AID is doing today in Africa," said Edelman, the AID official. "Nothing is more helpful for the private sector than governments getting out of the economy.

"We just haven't gone out and beat the bush telling people what we've been doing," he said.

Reflecting the generally skeptical response at AID to the latest theory of how to "save" Africa by promoting private enterprise, Edelman said, "Fifteen years ago, dams and hospitals were 'in.' Then, it was basic human needs. Now it's the private sector and agriculture. We have a 'man-on-the-moon quick-fix approach.' [But] development is not a technical project. It involves politics, sociology . . . It's not a technical fix."

Edelman also warned against thinking that there is any one "African model" of development that can be applied to spark a continent-wide agricultural "revolution" to pull Africa out of its economic mire.

Nor is the much-cited example of India, which reversed its fortunes by using new varieties of "miracle" wheat and rice, of much relevance to Africa, according to Edelman. Among many other differences, India has two basic crops while some African countries have as many as 18 crops and far weaker soils.

"There's no easy answer to the [African] farm problem," Edelman said. "We are telling Africans to do things we can't do ourselves," he added, referring to donor demands that African governments end their subsidies. "Domestic pressures [to continue subsidies] are there and we can't handle that, either."